

Purchasing Week

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P.A.'s Organizational Pendulum Swings Again

Railroads Hazard Rate Hike Despite Some Misgivings

Chicago—The nation's major railroads swallowed their fears of shippers' wrath last week and timidly proposed rate increases which they described as the smallest ever sought.

The railroads decided on the move at a three-day, closed-door meeting of some 100 executives here. They said it was necessary to cover recent wage increases granted to their employees and to meet other rising costs.

The executives said in a statement issued after the conference that they expected "little opposition to the move." But they were divided on whether the higher rates would stick.

Western railroads, in particular, were skeptical. "If this thing is approved, you'll be seeing (Turn to page 30, column 1)

DECENTRALIZED VS. CENTRALIZED BUYING

P.A.'s are combining the best of the two systems to meet:

- Ever-increasing demands for procurement cost reductions.
- Buying problems created by mergers and diversifications.

Decentralization Offers:

1. More direct control of vendors
2. Lower transportation costs
3. Individual plant specifications in local buying needs.

Centralization Offers:

1. More volume purchasing saving
2. Closer trade relations
3. Benefits from wider standardization programs.

Overall Effects on Purchasing

- In multi-plant companies, basic decentralization at the lower levels with strong master control at the top.
- Increasing demand for top-level purchasing administrators.
- A swing to centralized buying where companies can effectively utilize computers and EDP equipment.

Firms Compromising Between Centralization And Decentralization

New York—One of purchasing's oldest debates—centralized vs decentralized buying—appears heading toward a compromise.

Purchasing directors, especially those heading complex diversified product and multiplant operations, apparently still prefer to organize their departments on a decentralized basis by a margin of better than two-to-one.

But because both centralized and decentralized buying have recognized loopholes, corporate management is installing what some P.A.'s describe as "half-and-half" systems.

Others describe their systems similarly but use the terms "semicentralized" or "semi-decentralized."

As suggested in the accompanying chart (left) the tendency to compromise by utilizing the best features of both systems is evident in the purchasing chain of command at such big firms as Burroughs Corp., Kellogg Switchboard and Supply, Fairbanks-Morse, International Harvester and others.

Purchasing directors paged last week by PURCHASING WEEK were reluctant to pinpoint a trend in either direction. But it was clear that most favored a decentralized purchasing setup (no surprise since the pendulum began swinging that way several years ago) but with more emphasis than ever on strong over-all control by the purchasing Director.

Russell Stark, purchasing director at Burroughs, stresses the decentralized with strong central (Turn to page 29, column 1)

Shippers Scurry for Alternate Routes As Strike Throttles Pennsy System

Philadelphia—Competing transport—trucks, airlines, and railroads—from New York to St. Louis stepped in last week to fill the huge transportation gap left when 20,000 Pennsylvania Railroad maintenance workers went out on strike.

Transportation officials in the 13-state area were hopeful that trucking and alternate railroads would be able to keep goods moving. But some industry observers were gloomily anticipating severe delivery disruptions, and, in case the system-wide strike is prolonged, complete shutdowns at various plants.

The Transportation Workers Union walkout on Sept. 1 developed out of a contract dispute over work rules and the issue of railroad leasing equipment and contracting with outside firms for maintenance and repair work.

Shippers along the Pennsy's 10,000 miles of track were pinning their hopes on these alternate shipping plans:

(Turn to page 30, column 4)

FTC Fends Off Criticism Of Robinson-Patman Act

Washington — The Federal Trade Commission is standing firm in its campaign to enforce the Robinson-Patman Act. The law makes illegal discriminatory price cutting and allowances.

Answering complaints against Robinson-Patman made by lawyers attending the American Bar Assn.'s annual meeting here last week, Earl W. Kintner, FTC chairman, made these points:

(Turn to page 31, column 3)

Plastic Film Challenges Another Rival Material: Now It's Opaque Paper

New York—Plastics are out to wrest still another market from paper with the unveiling of two new films—Dyna-Foam, made by Dyna-Foam Corp., and Santofoam, a Monsanto Chemical product.

The two plastic films are priced competitively with opaque paper—which they aim to displace—and can do many of the same tasks. They are made by extruding a foamed styrene plastic. Tiny air bubbles in the materials make them extremely lightweight and impart special insulating and greaseproof qualities not found in paper.

In its sheet form, the material resembles a rich satin. Potential uses include: bags for hot and cold foods, cups for hot liquids, pipe coverings, corrugated boxes, wallpaper, and freezer wrappings.

The films will provide efficient (Turn to page 31, column 1)

Steel and Aluminum Clash Anew in Market Struggle

Pittsburgh—Steel and aluminum slugged it out last week for new markets in the container field, already one of steel's biggest customers and fast-becoming a principal target of aluminum.

• U. S. Steel came up with introductory prices on "Ferrolite," its new thinner tin-plated steel for can manufacture. The prices were pegged sharply below the conventional tin-plates used for "tin" cans.

• Aluminum Co. of America (Turn to page 30, column 2)

—This Week's—

Purchasing Perspective

SEPT. 5-11

PROFITS & PRICES—Refusal of purchasing departments generally to accept anything less than rockbottom prices has been reflected in the earnings reports of most major industries for the first half of 1960.

In many instances net income dropped substantially while sales went up. Corporate executives cite various reasons for the net income fallout, including higher manufacturing costs, labor rates, transportation expenses, and so on.

But one of the biggest factors has been price-cutting with much, or most, of it unofficial in the form of straightout discounts, quantity discounts, transportation allowances, and other types of concessions.

• That's why you can expect manufacturers to bid for firmer prices as soon as the looked-for fall business snapback accelerates sufficiently for sales managers to get tougher with salesmen (see PW Aug. 29, '60, p. 1).

• Efforts already are moving in that direction. Prices for first and second line automobile tires were boosted 2½% in Canada last week. Some rubber industry sources expect Akron to make similar price moves in the U. S. soon. In the electrical (Turn to page 30, column 4)

P/W PANORAMA

• **A School for Strategists** will open Sept. 19 when P/W inaugurates a "games" page. These games will test your sharpness and instruct you in the strategy of business in a way that's fun and exciting. See page 17 for additional details.

• **Don't Try to Take Unfair Advantage** of a supplier. If he's serving you under a "requirements" contract, you may run into trouble. The Law and You column on page 13 tells how the courts interpret such contracts when a dispute arises.

• **Congress Is Calling It a Summer** after bogging down amid election-year pressures. For a summary of what Congress accomplished—and didn't accomplish—see page 12. You'll also be interested in small business story on page 12.

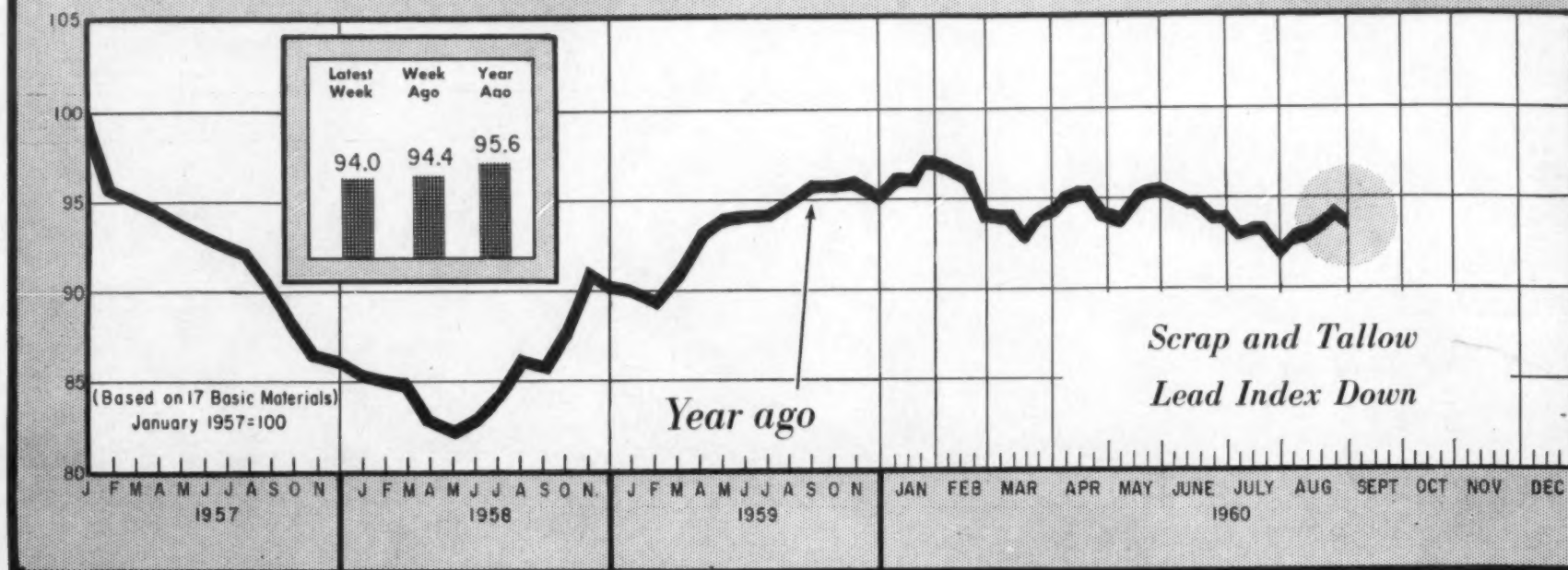
• **Tin Prices May Fluctuate** a bit more. That's because the International Tin Council has decided to unshackle the metal from all export restrictions. For a rundown on this and other developments abroad, see the Foreign Perspective on page 14.



HUMPTY DUMPTY wouldn't have had any trouble if he had fallen on new plastic film as bouncing egg did here. See story above.

Purchasing Week Industrial Materials Price Barometer

This index, based on 17 basic materials, was especially designed by the McGraw-Hill Department of Economics.



This Week's Commodity Prices

	Aug. 31	Aug. 24	Year Ago	% Yrly Change
METALS				
Pig iron, Bessemer, Pitts., gross ton.....	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton.....	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton.....	80.00	80.00	80.00	0
Steel, structural shapes, Pitts., cwt.....	5.50	5.50	5.50	0
Steel, structural shapes, Los Angeles, cwt.....	6.20	6.20	6.20	0
Steel, bars, del., Phila., cwt.....	5.975	5.975	5.975	0
Steel, bars, Pitts., cwt.....	5.675	5.675	5.675	0
Steel, plates, Chicago, cwt.....	5.30	5.30	5.30	0
Steel scrap, #1 heavy, del. Pitts., gross ton.....	31.00	31.00	38.00	-18.4
Steel scrap, #1 heavy, del. Cleve., gross ton.....	32.00	31.00	38.00	-15.8
Steel scrap, #1 heavy, del. Chicago, gross ton.....	32.00	32.00	38.00	-15.8
Aluminum, pig, lb.....	.26	.26	.247	+ 5.3
Secondary aluminum, #380 lb.....	.24	.24	.238	+ .8
Copper, electrolytic, wire bars, refinery, lb.....	.326	.326	.315	+ 3.5
Copper scrap, #2, smelters price, lb.....	.255	.26	.25	+ 2.0
Lead, common, N.Y., lb.....	.12	.12	.13	- 7.7
Nickel, electrolytic, producers, lb.....	.74	.74	.74	0
Tin, Straits, N.Y., lb.....	1.021	1.025	1.024	- .3
Zinc, Prime West, East St. Louis, lb.....	.13	.13	.11	+18.2
FUELS†				
Fuel oil #6 or Bunker C, Gulf, bbl.....	2.30	2.30	2.00	+15.0
Fuel oil #6 or Bunker C, N.Y., barge, bbl.....	2.62	2.62	2.37	+10.5
Heavy fuel, PS 400, Los Angeles, rack, bbl.....	1.95	1.95	2.15	- 9.3
Lp-Gas, Propane, Okla., tank cars, gal.....	.035	.035	.04	-12.4
*Gasoline, 92 oct. reg., Chicago, tank car, gal.....	.126	.126	.121	+ 4.1
Gasoline, 84 oct. reg., Los Angeles, rack, gal.....	.108	.105	.112	- 3.6
Kerosene, Gulf, cargoes, gal.....	.09	.09	.081	+11.1
Heating oil #2, Chicago, bulk, gal.....	.095	.095	.091	+ 4.4
CHEMICALS				
Ammonia, anhydros, refrigeration, tanks, ton.....	86.50	90.50	86.50	0
Benzene, petroleum, tanks, Houston, gal.....	.34	.34	.31	+ 9.7
Caustic soda, 76% solid, drums, carlots, cwt.....	4.80	4.80	4.80	0
Coconut oil, inedible, crude, tanks, N.Y. lb.....	.148	.15	.18	-17.8
Glycerine, synthetic, tanks, lb.....	.293	.293	.278	+ 5.3
Linseed oil, raw, in drums, carlots, lb.....	.168	.168	.163	+ 3.1
Phthalic anhydride, tanks, lb.....	.185	.185	.165	+12.9
Polyethylene resin, high pressure molding, carlots, lb.....	.325	.325	.35	- 7.9
Rosin, W.G. grade, carlots, fob N.Y. cwt.....	18.10	18.10	10.40	+74.0
Shellac, T.N., N.Y. lb.....	.31	.31	.31	0
Soda ash, 58%, light, carlots, cwt.....	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton.....	23.50	23.50	23.50	0
Sulfuric acid 66% commercial, tanks, ton.....	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb.....	.058	.059	.064	- 9.4
Titanium dioxide, anatase, reg. carlots, lb.....	.255	.255	.255	0
PAPER				
Book paper, A grade, Eng. finish, Untrimmed, carlots, cwt.....	17.75	17.75	17.20	+ 3.2
Bond paper, #1 sulfite, water marked 20 lb. car. lots, cwt.....	25.20	25.20	25.20	0
Chipboard, del. N.Y., carlots, ton.....	100.00	100.00	95.00	+ 5.3
Wrapping paper, std. Kraft, basis wt. 50 lb rolls.....	9.50	9.50	9.00	+ 5.6
Gummed sealing tape, #2, 60 lb basis, 600 ft. bundle.....	6.30	6.30	6.30	0
Old corrugated boxes, dealers, Chicago, ton.....	18.00	18.00	21.00	-14.3
BUILDING MATERIALS†				
Cement, Portland, bulk carlots, fob New Orleans, bbl.....	3.65	3.65	3.65	0
Cement, Portland, bulk carlots, fob N.Y., bbl.....	4.18	4.18	4.18	0
Southern pine, 2x4, s4s, trucklots, fob N.Y., mftbm.....	120.00	120.00	129.00	- 7.0
Douglas fir, 2x4, s4s, carlots, fob Chicago, mftbm.....	135.00	135.00	142.00	- 4.9
Spruce, 2x4, s4s, carlots, fob Toronto, mftbm.....	84.00	84.00	96.00	-12.5
Fir plywood, 1/4" AD, 4x8, dealer, crid, fob mill, msf.....	64.00	64.00	72.00	-11.1
TEXTILES				
Burlap, 10 oz. 40", N.Y., yd.....	.121	.120	.099	+22.2
Cotton middling, 1", N.Y., lb.....	.325	.324	.333	- 2.4
Printcloth, 39", 80x80, N.Y., spot, yd.....	.194	.198	.195	- .5
Rayon twill, 40 1/2", 92x62, N.Y., yd.....	.225	.225	.26	-13.5
Wool tops, N.Y., lb.....	1.445	1.425	1.725	-16.2
HIDES AND RUBBER				
Hides, cow, light native, packers, Chicago, lb.....	.172	.168	.282	-39.0
Rubber, #1 std ribbed smoked sheets, N.Y., lb.....	.358	.360	.39	- 8.2

† Source: Petroleum Week † Source: Engineering News-Record
* Starting this week 92 octane (a more representative grade) replaces 91 octane.

This Week's

Price Perspective

SEPTEMBER 5-11

WHAT'S THE MATTER WITH STEEL?

That's a question a lot of people are asking today—and with good reason. Somehow the fact that steel is currently averaging out at 50% to 55% of capacity just doesn't jibe with over-all industrial production figures, which are hovering around record highs.

Are the statistics crazy? Are they making heavy equipment out of "card-board"—as some wags suggest?

Actually there is a perfectly rational explanation—that a host of bearish forces have hit steel all at once. Individually they would make relatively minor dents in steel mill output. But acting in concert they have been able to cut production virtually in half since the beginning of the year.

INVENTORY PARING is perhaps the strongest of the forces.

A few figures illustrate its effect:

During the first three months of 1960, metal fabricators, who use from 65% to 70% of all the steel produced in this country, built up their stocks of steel by almost 4-million tons. During the second three months, they did a complete turnabout—whittling inventories by 1-million tons.

That adds up to a second quarter net loss of 5-million tons.

If mills could have sold this additional amount in the April-June period, operations would have run over 80% of capacity—instead of the actual 70.2% figure reported by Iron and Steel Institute.

Further paring this summer has only aggravated the situation.

THE NEW COMPACT CARS have also played a role.

These cars, which have captured about 25% of the market, use about one-third less steel than standard models.

Putting this another way, automakers have been able to cut their 1960 steel consumption by about 8%—and still come up with the same number of cars they made last year.

CAPITAL EQUIPMENT DEMAND also needs some reexamination.

First, you can't correlate capital equipment demand for steel with high capital outlays. Although this year capital spending is expected to reach \$36.5-billion (a 12% increase over 1959), new orders just aren't keeping pace—and in the final analysis, it's the new orders that determine current steel buying for heavy equipment.

In other words, high current outlays do not imply high steel demand.

Then, too, you have to consider product mix. The fact is that much of the current expansion is in fields where steel plays only a minor role as far as capital goods are concerned—such as the commercial and aircraft industries.

CONSTRUCTION AND IMPORTS are other factors to consider.

Housing starts this year are running 17% below last year.

Moreover, construction contractors—like metal fabricators—have been living off inventories. According to late reports from Pittsburgh, new orders for structural steel, both light and heavy, have fallen far below what contractors are actually using.

Finally—the import picture. Competition from abroad continues to be vigorous in some quarters—despite the fact that over-all incoming shipments of mill products have been easing of late.

A good example is tool and stainless steels, which have been steadily losing out to importers.

Comptometer Gets AT&T Green Light

New York — Comptometer Corp. and TelAutograph Corp. generated nationwide interest last week in a controversy over which firm was closest to marketing a telewriting device that permits transmission of oral and handwritten messages over regular dial phone lines for the price of a single station call.

After a week in which stock exchange trading in shares of both firms was halted, Comptometer clearly was established as the first firm to win American Telephone and Telegraph Co. approval for installation of its long-distance electronic handwriting equipment.

TelAutograph has developed similar telewriting equipment, hopes to have its devices perfected for use later in the fall, and has a date next week with

confined to firms with traffic sufficient to justify the relatively major expense of leasing private wires from the Bell System.

Adapting the telewriting hookups for use over regular office telephone lines allows smaller companies, with only an occasional need to transmit simultaneous oral and handwritten material between widely separated offices and plants, to make broad use of the service.

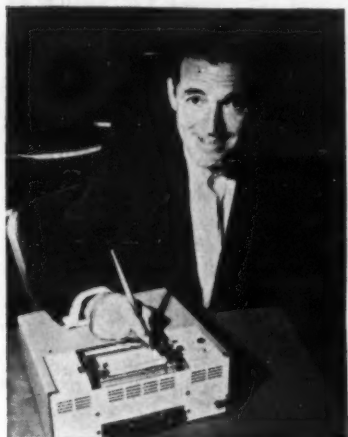
The units of both companies will be hooked up to regular dial telephones upon installation of

a Dataphone device supplied by the telephone company. Flicking a switch on the Dataphone permits use of the telewriting equipment at prevailing telephone rates.

Whereas leased wire expenses can run up to hundreds and even thousands of dollars a month, costs will drop sharply under the new setup. Costs of renting Comptometer telewriting equipment now run \$25 per month for a transmitting unit and \$20 per month for a receiving unit, plus Bell System leased line expense.



COMPTOMETER'S ELECTROWRITER, shown above in use at a brokerage office, is available now for dial telephone type service.



TELAUTOGRAPH's new telescriber transmits handwritten data.

American Telephone and Telegraph Co. officials to iron out technical details pertinent to making such hookups.

Equipment manufactured by both Comptometer and TelAutograph for telephone transmission of written messages and sketches has been in use for the past year—but via leased wires only. Consequently the service has been

Shaky Market in Copper May Ease Domestic Tags

New York—The world copper market is again showing some signs of faltering. Some observers feel continued weakness could mean some bargain in domestic custom smelter tags.

Here's a rundown of some of the current shakiness:

• **London metal exchange**—this key price setting market last week quoted copper below 30¢ a pound (the U. S. price is 33¢).

• **Katanga**—Union Minière du Haut Katanga, the big African producer, reduced its price to the equivalent of 29.95¢ per pound delivered New York.

• **Canada**—Two producers north of the border lowered their price 1¢ a pound (from 31¢ to 30¢). However, this is partly due to the rise in the premium on the Canadian dollar.

• **Copper scrap**—More generous domestic offerings resulted in a ½¢ per pound decline in No. 2 grade copper scrap. The new price is 25½¢ per pound.

• **Poor domestic demand**—New orders received by copper wire and brass fabricators are disappointing. In July, bookings dropped 16% below year-ago levels.





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Washington Perspective

SEPT. 5-11

The Federal Trade Commission has been whacking away at corporate mergers, pricing practices, misleading advertising, inadequate labeling, TV commercials, and then some, particularly in the past year (see page 1).

Now FTC chairman Earl Kintner is publicly wondering again about an idea that has appealed to his predecessors: some gimmick that would enable businessmen to police themselves on Robinson-Patman cases.

Kintner admitted to the bar association in Washington something that has been true for years—that the agency staff can take action against only a small portion of the infractions of the law it hears about.

Kintner's hope—which is definitely not shared by some of his top aides—is to find a formula under which the commission can get businessmen to stop illegal practices, while at the same time voluntarily agreeing to subject themselves to a penalty if they're found continuing them.

Washington thinks it may get more tariffs lowered abroad than it will have to give in the form of import concessions to foreign countries at the GATT negotiations now underway.

The United States is playing it close to the vest in the negotiations, and is prepared to give away little in the form of allowing foreign goods into the U.S. at lower prices.

The U.S. still feels it holds the cards to secure lower trade barriers for American goods sold in foreign countries.

• First, the United States is and has been running a deficit in its international payments account, and will argue that it needs to sell more abroad to close the gap. Foreign countries, interested in preserving the value of the dollar because of its crucial role as an international exchange medium, have been willing to listen more closely to U.S. arguments.

• Secondly, the new truce between Europe's sixes and sevens—the Common Market and the European Free Trade Association—should help the U.S. position. Attempts at reconciliation between the two trade blocs mean they probably will bargain more seriously among themselves to lower trade barriers.

Indirectly, this would benefit the United States and other GATT members under the most favored nation principle: A lowering of trade barriers between the blocs would automatically be passed along to those countries with which any of the 13 European bloc countries have a favorite nation treaty.

The ICC has been shaken by a Congressional investigation into whether it has been too generous in its treatment of a trucking firm which has a record of shady practices.

Chairman Oren Harris of a House subcommittee which rides herd on government regulatory agencies said his group had "information indicating certain inefficiencies, irregularities, and even possible corruption" in the commission's regulation of Interstate Dress Carriers, Inc., a New York garment hauling firm. At a hearing Tuesday, Jack Liberman, secretary-treasurer of the firm, invoked the fifth amendment and refused to turn over the firm's records.

The subcommittee is concerned over the fact that the ICC on Dec. 24, 1958, granted Interstate a route from New York to South Carolina even though (1) the firm had been found guilty 11 days earlier of hauling shoes without authority, (2) its president was then suspected, and has since been found guilty of inducing perjured testimony at a previous ICC hearing and (3) the commission had turned up information earlier indicating Interstate illegally acquired control of another trucking firm.

Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	1,533	1,547*	332
Autos, units	39,160	47,437*	18,335
Trucks, units	14,552	23,371*	15,294
Crude runs, thous bbl, daily aver	8,172	8,135	8,362
Distillate fuel oil, thous bbl	12,733	13,097	12,854
Residual fuel oil, thous bbl	6,252	5,626	6,338
Gasoline, thous bbl	29,487	29,467	30,162
Petroleum refineries operating rate, %	83.5	83.1	86.1
Container board, tons	167,348	169,897	171,390
Boxboard, tons	97,186	97,164	98,957
Paper operating rate, %	92.7	91.2*	96.7
Lumber, thous of board ft	228,688	232,189	243,116
Bituminous coal, daily aver thous tons	1,337	1,339*	1,192
Electric power, million kilowatt hours	14,602	14,453	14,109
Eng const awards, mil \$ Eng News-Rec	604.0	406.4	490.1

*Revised

Congress Bogs Down Under Campaign Pressure

Washington — Congress has ended three frustrating weeks of trying to legislate in the face of an election campaign.

The post-convention gathering of Congress that had been billed as the payoff session broke down into a series of delays and stalemates that killed off any chance for the bulk of legislation focusing on business generally and procurement specifically.

The result was to postpone until next year's Congress such things as revision of the nation's transportation laws, price supervision, revamping of government procurement regulations. And the question of economic growth is certain to be a top issue if the economy continues sluggishly or shows signs of faltering.

Sen. John F. Kennedy, Democratic Presidential nominee who was stymied in his efforts to get through his legislative proposals, vowed he would go to the people with them.

Specific Projects

Some Congressional committees and their staffs are beginning or continuing work on specific projects.

Sen. Estes Kefauver's antitrust and monopoly subcommittee will open hearings this week (Sept. 7) into antibiotic prices charged by American drug firms. If the hearings produce charges of alleged pegging of prices and excessive profits as in his earlier drug hearings, the result could well be a campaign issue for Kennedy.

The staff of the Joint Economic Committee is working on a number of politically potent studies dealing with automation, the economic implications or various proposed farm programs, the extent of government subsidies to business, and application of fiscal-monetary policies to the economy. Some of these projects may be ready in time for the election, but more likely they will be available when the new Congress comes into session next year.

The failure of Congress this year to enact the bulk of the legislative programs put forth by either Pres. Eisenhower or the Democratic leaders does not mean these issues are dead. It means only postponement, and the issues will still be there next year.

Economic Growth

The question of adequate economic growth, which has received a lot of discussion but little in the way of actions this year, could well be the overriding issue facing the next Administration and Congress in 1961.

This could be the case if the economy begins to falter or slow down by next year—a possibility that Washington economists are increasingly considering.

Traditional pump priming activity would receive the first call in event of a business slowdown. But because of the great emphasis placed on maintaining growth, there would likely be pressure for new uses of government power to head off not only recession but to make sure that economic growth be stepped up.

The question of price regulation, or at least supervision, is still a very live one. The subject was revived in Congress this year with a bill introduced by Sen.

Joseph Clark (D-Pa.) requiring prior government review of proposed price increases in major industries.

Any increase in the price of steel next year would trigger new demands for such legislation. And Sen. Kefauver's administered price investigations will keep the subject before the public.

A number of Congressional committees investigated defense procurement practices this year. While the investigations produced no legislation, the pressure will be kept on next year for tighter and more efficient procurement practices and for wider

use of advertised instead of negotiated bidding on federal contracts.

In the field of transportation, the Administration this year completed and forwarded to Congress a study of transportation policies and recommendations for legislative changes. Both Senate and House Commerce Committees are conducting parallel studies into transportation which have not been completed yet. When they are, the Congressional studies in combination with those of the Administration could form the basis for working out a new government transport policy.

What Congress Did for Business

Price-wage notification—A Senate banking subcommittee revived legislation requiring advance notification to government before raising wages and prices. A resumption of general inflation would probably induce the next Congress to pass a pre-notification bill.

Defense Procurement—Sen. Paul H. Douglas' Joint Economic Committee led a year-long attack for tightened up defense buying rules. Wider use of advertised buying. Legislation to this end never got off the ground. But continued GAO investigations of waste and mismanagement assure this will be a major issue next session.

Economic growth—A top political talking point, but no action this session. This could well be the big issue next year if the economy slides into recession. Housing, highways, school construction, and other public spending would be pushed to spur the economy.

Depreciation—The House Ways & Means Committee completed a monumental study of outmoded U. S. depreciation policies as a prelude to introducing changes. Chances are good next Congress will press for speedier writeoffs, more simplified methods of deductions.

Transportation—The commerce committees received Administration recommendations for sweeping changes in national transport policy to allow greater rate-making freedom, less federal regulation, and creation of a new federal transport agency to determine general policy. Hearings on the proposals have been put off until next year.

Fuels—At the urging of the coal industry, Congress passed a joint resolution to set up a study for an over-all fuels policy for the government. No further action was taken on this or on other recommendations to ease up on federal regulations and rate-making of natural gas producers.

Labor—Higher minimum wage legislation passed by Congress. Legislation removing construction workers from secondary boycott picketing provisions was killed: Is a cinch to be revived next year.

Lower interest rates—Fed moves to ease money supplies undercut liberal Democrats' arguments for lower interest rate legislation. The subject will be up again next year as part of a package to spur growth. Kennedy gives attention to views that would cut power of Federal Reserve; Nixon is strongly opposed.

Tariffs—Senate Finance Committee reduced zinc and lead tariffs; no further action taken.

Labeling—Legislation passed requiring warning labels on hazardous household products.

Fair trade—Pigeonholed by House Rules Committee.

Pre-merger notification—Senate Judiciary Committee failed to act on measure requiring big corporations to give notice of pending mergers.

Taxi Fleet Owner Hails Used Cars

Washington, D. C.—The president of one of the largest independent taxicab companies in the country claims fleet car buyers may be missing a bet by disposing of vehicles too soon.

Ralph Feltman, head of Skyview Cab Co. does his purchasing when other auto buyers are selling. Feltman's firm operates a 760-cab fleet composed entirely of used cars.

"We've found that used cars have plenty of life in them," said Feltman, who has been depending on used cars for most of the 30 years he has been in business.

He said that the cars he buys

for cabs average more than 100,000 miles of service under heavy traffic conditions in the nation's capital.

The Skyview Cab Co. leases or sells, on a pay-as-you-go basis, to drivers who are free to select the make of car they want.

In the past six months, the company has bought more than 300 Plymouths in 1953 to 1959 models.

In preparing the cars for cab service, seats are removed and refitted with leather, then they are sent to a body shop for painting. Vehicles also receive mechanical repair and minor tune-up.

Army Engineers Post New Controls On Bidders for ICBM Base Contracts

Washington—Bidders on all ICBM base construction projects will be limited in the future to contractors listed on a special Army Engineer roster of qualified bidders which will be set up shortly.

The decision on limiting bids on prime construction contracts comes on the heels of other policy measures taken recently to speed up the program and to prevent construction delays on future ICBM sites. These measures include centralization of both the Army Engineers and Air Force commands in charge of the program, and the requirement that prime contractors on an ICBM job subcontract out no more than 85% of the project work.

Itschner Writes Memo

The new restriction has revealed in a memorandum from Lt. Gen. C. E. Itschner, Chief of Army Engineers, to Brig. Gen. Alvin C. Welling, commander of the new "Corps of Engineers Ballistic Missile Construction Office," (CEBMCO) Inglewood, Calif., and to all division and district engineers offices.

In a follow-up memo, Itschner authorized Welling to "establish the criteria for determining the qualifications" of prime bidders and to compile the roster of "acceptable" companies.

The decision to screen bidders represents a compromise between the present system of open advertised bidding under which prime awards are made to low bidders, and the Air Force's proposal that the formal bidding scheme be replaced by a system of negotiating contracts with a limited number of qualified contractors.

Effective in Fall

The new policy will go into effect this fall when bids are sought for construction of Titan II missile installations at Davis-Monthan AFB, Tucson, Ariz.; McConnell AFB, Wichita, Kan.; and Little Rock AFB, Little Rock, Ark.

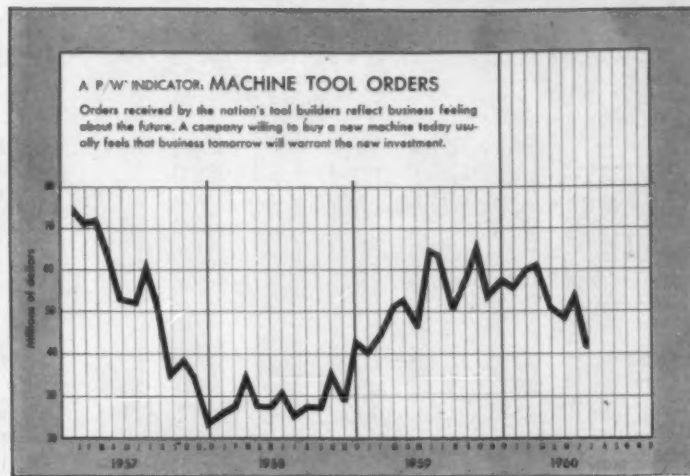
A spokesman for the Corps of Engineers said that "it is not correct to assume that new prime contracts will be limited to companies already participating in ICBM base construction."

The new pre-qualification pro-

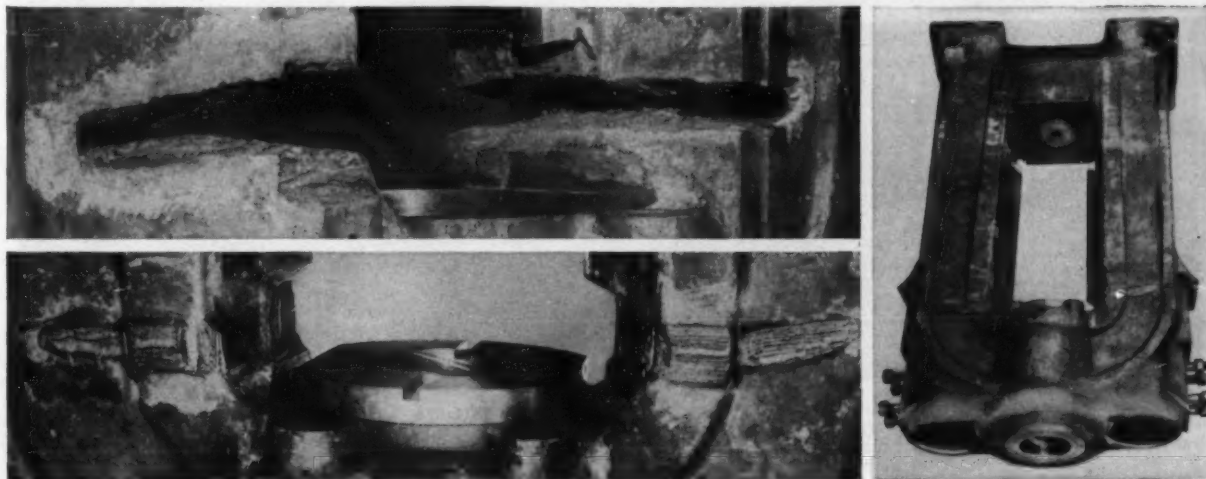
cedure will apply only to prime contracts. Subcontracting by the primes, however, will be screened more rigidly than ever by the Corps of Engineers.

In essence, such factors as capital resources, the company's performance record on previous Army Engineers projects, its current workload, and managerial and technical qualifications will be the key to approval of both primes and subs on future ICBM site projects.

SHARP DECLINE from June, spearheaded by sagging domestic bookings, pushed overall orders of machine tools 35% below year-ago levels. Producers look to September Machine Tool Exposition to reverse downtrend.



SAVED: MONEY & DOWN TIME (thanks to welding). Cracked in action, this huge swaging-press frame had to be repaired or replaced, fast. P. A. couldn't get new frame in a hurry. Conventional welding might be dangerous to the cast steel frame.



Only EUTECTIC had the answer: its unique Low Heat-Input Process of metal joining. Cracks were veed out with ChamferTrode® (DC straight); weld made with EutecTrode® 680 (AC-DC). Low heat input reduced danger of distortion. Weld had great tensile strength and shock resistance. Press was working in a few days. Saved: down time, cost of new frame.

SAVE INVENTORY AND REPLACEMENT PROBLEMS! With EUTECTIC "Low Temperature Welding Alloys"®, your maintenance men can repair broken equipment right on the job. This saves you the inventory of countless extra parts and the headache of rush replacement orders. The whole plant runs more smoothly.

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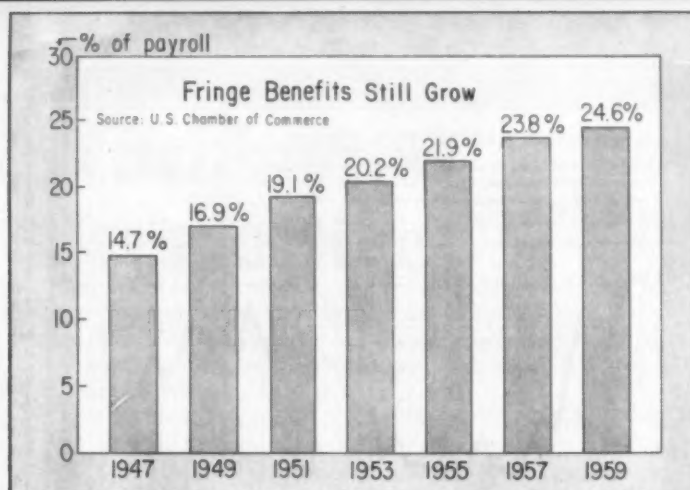
EUTECTIC WELDING ALLOYS CORPORATION
Originator of the Low-Heat Input Process... The ONLY welding alloy manufacturer in the world capable of producing welding rods and electrodes from virgin metals to finished products in ANY metal.

GE Cuts Overseas Price On Diodes and Rectifiers

New York—General Electric has sharply cut the price of several semiconductor products for overseas sales following similar action last month in the U.S. market.

The International General Electric Co., a division of General Electric Co., made known a 93% price reduction on its line of gallium arsenide tunnel diodes.

The firm has also cut prices on several of its silicon controlled rectifier series. When domestic tags were cut, prices fell from \$55 to \$4.50 for type 1N3118 diode. The company also announced five new types of gallium arsenide diodes. Prices for these in the U.S. range from \$7.50 to \$18.



Purchasing Week

September 5, 1960

Labor's Non-Wage Benefits Take in

New York—Fringe benefits have risen to a record high—and all signs point to a continuing rise, says a U. S. Chamber of Commerce study.

Although there is a wide variation for individual firms, the average cost of benefits comes out to 22.8% of payroll—or about 54.8¢ per payroll hour for a company.

The biggest gains, the study noted, are in (1) pension-type payments and (2) profit-sharing payments and bonuses, both of

which nearly have doubled in the postwar period.

The smallest gains were in "legally required" payments (Social Security, unemployment compensation, etc.)—but even here the gains were substantial—from 2.9% of payroll in 1947 to 3.7% in 1959.

The Chamber of Commerce study, seventh of its kind on non-wage benefits, covers such important fringes as vacations, holidays, rest periods, pensions, Social Security, etc. Based on a

survey of 1,000 companies, it reports other key findings:

• **Industry Differentials**—There's considerable variation by industry. The lowest is 13.8%, noted for hotels. And the highest is 31.7% noted for banks, finance and trust companies.

• **Regional Differences**—There are regional variations, too. The Northeast section of the country leads in fringe payments—with the West, East North Central, and Southeast regions following in that order.

• **Size of company**—The survey notes no relation between size of firm and amount of fringe payments.

• **Pensions**—86% of the companies are making payments for pensions—with payments in these companies averaging out at about 5% of payroll.

• **Insurance programs**—Practically all companies (98%) make payments for employee insurance programs, averaging 2.3% of payroll.

What Is It?

Defining a fringe is no easy task. There are several items which could go in or be left out. Moreover, depending on whether you compare fringe payments to (1) payroll or (2) straight time pay for time worked—you get a substantially different picture of the animal.

The figures in this report are basically conservative. The averages computed omit overtime premium pay, holiday premium pay, shift differences, and production bonuses. If they were considered as fringe benefits then the average 22.8% of payroll would rise to 29.1%.

And if you compare fringe payments to "straight time pay for time worked", the percentage becomes even bigger. In the current study—if straight time were used as a base and if you included the items noted immediately above—the over-all percentage rises to 34.6%.

Spotlighting Growth

But no matter what method you use, all the evidence points to steady, continuing growth. Some 108 companies have been reporting consistently since 1947—so it is possible to trace growth of fringe benefits over the whole postwar period for a consistent group.

In 13 years covering 1947-1959 they've expanded fringes from 14.7% of payroll cost to 24.6% (see table above, left). But not all types have shared in the gain.

Where Money Goes

The chart on the next page gives a breakdown of the total fringe benefits in 1959 by type of payment.

Notice that the two biggest items are "pensions" and "payment for time not worked." Each of these items accounts for approximately one-third of all fringe payments.

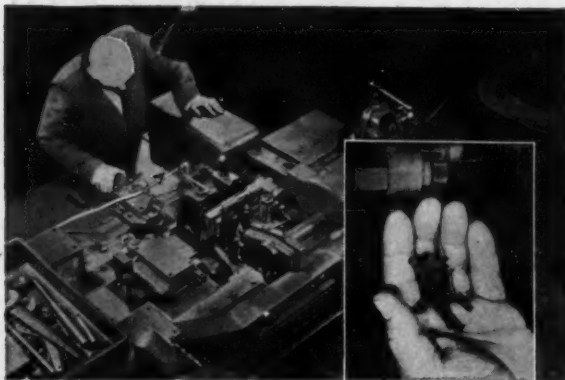
In the "payment for time not worked" category the biggest item is paid vacations. Other substantial cost items in this group in-

Which picture do you fit?

Here are four *actual* customers* with different, but exacting product and technical needs. One uses Bridgeport rod in a range of alloys, the second Bridgeport strip. A third makes fasteners from Bridgeport Brass wire.



"**AUTOMATIC QUALITY.**" says Customer A. "We've a high-volume, automatic screw machine operation. Our alloy needs vary from job to job. Our production schedules demand consistent quality alloy and accurate gauge. With every rod alloy we get from Bridgeport, we get what we order... including aluminum alloys!"



"**CONSISTENT GAUGE.** We need Bridgeport quality brass wire to make thousands and thousands of fasteners of every description," says Customer C. "High-speed, volume cold-heading production is only as good as the alloy wire that's used. Bridgeport Brass wire is made to exact tolerances for cold-heading at high speeds—we depend on it."

These examples typify national metalworking opinions. There's no mystery why manufacturers the country over depend on Bridgeport—Bridgeport products and service are *close at hand*. The many brass, copper and aluminum alloys made by Bridgeport in rod, tube, wire and strip are *readily* available from stocks in your area;

The fourth company uses Bridgeport condenser tubes and Technical Service to produce quality heat exchangers. Which picture do you fit with your raw materials and manufacturing requirements?



"**LONG-LENGTH COILS.** They're one reason why we can depend on Bridgeport for strip," says Customer B. "Superior surface finish from Bridgeport saves us production costs. With their Sendzimir mill finish and exact gauge and width in long-length coil, you can see the reasons why we depend on Bridgeport for brass, copper and aluminum strip."



"**PRODUCT PLUS SERVICE.**" says Customer D. "We manufacture heat exchangers for many applications. Our requirements include good technical and engineering service as well as a wide choice of brass, copper and aluminum tube alloys. All of these are available from Bridgeport."

*Names on request

Bridgeport warehouses are located to make it easy for you to get what you want on time. Volume needs are mill-delivered. Your call to your nearest Bridgeport Sales Office, or a letter to Dept. 4009 will get you engineering and technical service. Try it, and you'll agree—you do fit into the picture!



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Specialists in Metals from Aluminum to Zirconium

More Than Fringe Area These Days

clude payment for holidays and sick leave.

The third biggest category (legally required payments) accounts for about 18% of all fringe benefits—with Social Security taking the lion's share of this money. Other "legally required payments" include unemployment compensation and workmen's compensation.

Profit-sharing payments and bonuses both take about 4% each.

Manufacturing firms generally have a bigger portion of fringe costs going for Social Security, unemployment compensation and workmen's compensation. Non-manufacturing proportions, on the other hand, tend to be considerably higher for both pensions and sick leave.

If you look at over-all fringe costs—manufacturing firms vs. nonmanufacturing firms—the latter have lower over-all costs. The actual figures: 21.6% of payroll for manufacturing, 25.1% for nonmanufacturing.

Industry Differences

Not all industries feel the cost pressure equally. In manufacturing areas the petroleum industry has the highest total. They have to shell out 28.3% of payroll for these items.

Lowest such costs in manufacturing are in the pulp, paper, lumber, and furniture industry—with only an 18.8% figure for the fringes.

Table below gives further details.

Industry	Payroll	Fringes as % of
Primary Metals	22.4	
Fabricated Metal Prod.	22.6	
Non-electrical Machinery	20.9	
Electrical Machinery	21.5	
Transportation Eqpt.	21.3	
Instruments & Misc.	22.7	
Food, Bev. & Tobacco	21.8	
Textiles & Apparel	20.0	
Pulp, Paper, Lumber & Furn.	18.8	
Printing & Publishing	19.9	
Chemicals & Allied Prod.	25.0	
Petroleum Industry	28.3	
Rubber & Leather Prod.	22.6	
Stone, Clay & Glass	19.4	

Even bigger variation is noted in nonmanufacturing where payments ranged from a low of 13.8% (hotels) to a high of 31.7% (banks).

Regional and Size Variations

As noted above, the Northeast has the highest fringe benefit costs. It's also interesting that the lowest is in the Southeast; for it points up some of the reasons for industry shifts away from New England toward the South.

The fact that there is no substantial difference in fringe by size of firm—may come as a surprise to some. Both big and small firms pay substantially the same benefits.

The actual figures—which

show a variation of only one percentage point—reveal how widely the concept of fringes has been accepted throughout American industry.

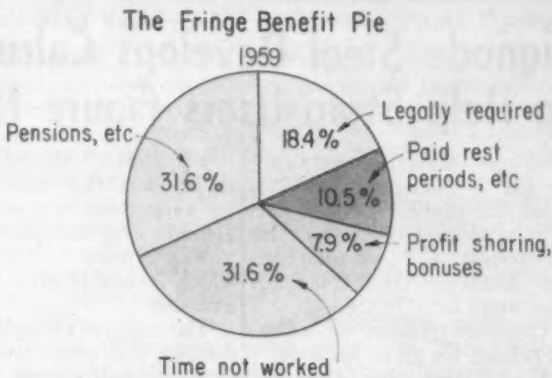
Popularity of Individual Benefits

Not all companies, of course, report payments on all of these above mentioned fringes.

Most popular, of course, are Social Security and unemployment compensation taxes—which are paid by virtually all companies. There's little chance for

variation here because payments are required by law. Vacation payments rank second in popularity—with 98% of firms reporting such benefits. Holiday payments were reported by 93% of firms and paid sick leave by 54%.

Profit-sharing outlays—relatively new to fringe benefit field—are noted by 15% of the reporting companies. But if you look at wholesale and retail trade firms this profit-sharing figure rises to take in 42% of such firms.



Source: U.S. Chamber of Commerce

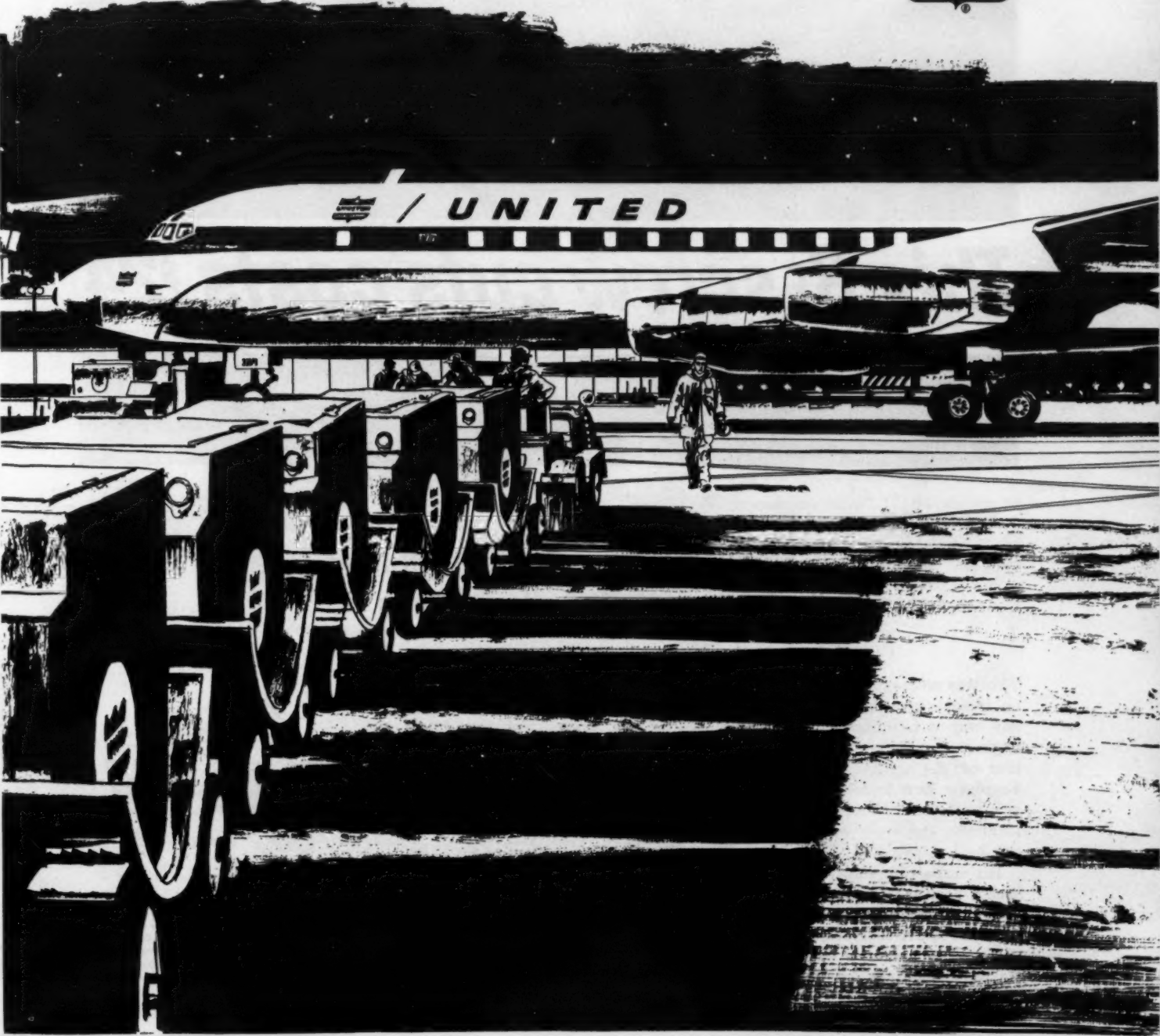
Purchasing Week

September 5, 1960

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900 SCHEDULES A DAY EAST AND WEST



Signode Steel Develops Calculator To Help Strap Users Figure Needs

Chicago—Signode Steel Strapping Co. is offering a new calculator that enables users of steel strapping to gear orders to their requirements and advantageous price breaks. The calculator allows users to:

- Compute pounds of strapping needed for given package.
- Figure the total strapping needed for a production run.
- Compute the strapping cost per unit for any package and the cost-per-ft. for each variety.

- Calculate the number of ft./lb. and the tensile strength for each stock size and kind of Signode steel strapping.

- Determine the quantities at which favorable price breaks are available.

The calculators together with a booklet that gives examples and detailed instructions are available free to users of steel strappings. Write Signode Steel Strapping Co., 2600 North Western Ave., Chicago 47, Ill.

Better Transportation Opens Up New Plant Sites

Chicago—An industrial development specialist pointed out last week that the superhighway system and other transportation developments are making more cities suitable for new plant locations.

"As recently as 10 years ago," explained Maurice Fulton, partner in the Fantus Co., Chicago and New York plant location consultants, "hundreds of communities were ruled out early in planning simply because of their locations. If the city had inadequate airline, rail, or highway

facilities there was no point in putting a factory there."

Now, he said, transportation factors have all but disappeared as problems in establishing a new plant, which means hundreds of additional cities are eligible. He made these two points:

- More than 88% of all communities otherwise qualified for industrial development are within an hour's drive of an airport where feeder service is conveniently available to trunk airline connections.

- Within seven years, there will

be practically no potential plant locations more than three hour's drive away from a link with the intercontinental express highway system.

"The regional airlines and the express highway system will complement each other," he said. "The highways will provide additional accessibility for passenger traffic and, of course, will offer convenience in moving freight anywhere."

With transportation becoming less of a critical factor in locating plants, Fulton concluded, other considerations have become relatively more important. These include quantity of labor available locally, community resources, and tax structures.



This 3¢ screw cuts costs \$24

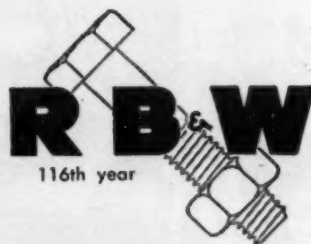
83% saving on fasteners per compressor unit revealed by RB&W survey... substituting standard cap screws for alloy screws.

This was no case of cutting corners on fastener quality. Nor was it in any way a compromise with good engineering. It was rather a reflection of the ability of the RB&W Fastener Man to look realistically at a product, and its blueprint specifications, and know what fasteners can best do the job.

His inspection showed that alloy socket head cap screws were being used for external connections which did not require such costly steel for tight joints. Nor were they installed in tight spots or recessed holes.

Why then waste their cost? His report recommended switching to bright cap screws. Sufficient joint strength would be obtained. But instead of spending \$28.88 for 147 socket screws, the unit would take \$4.88 worth of cap screws... a saving of \$24 per unit, and pure profit!

Want to be sure you're avoiding needless costs in fastener usage, and getting the most from your fastener dollars? Ask an RB&W man to make a survey. No obligation. Contact Russell, Burdall & Ward Bolt and Nut Company, Port Chester, N. Y.



Plants at: Port Chester, N. Y.; Coraopolis, Pa.; Rock Falls, Ill.; Los Angeles, Calif. Additional sales offices at: Ardmore (Phila.), Pa.; Pittsburgh; Detroit; Chicago; Dallas; San Francisco. Sales agents at: Cleveland, Milwaukee; New Orleans; Denver, Fargo. Distributors from coast to coast.

Olin - Mathieson Begins Work on New Plant in South

Charleston, Tenn.—Construction is now underway on a new \$13-million chlorine and caustic soda plant here for Olin-Mathieson Chemical Corp.

The new facility will employ the Mathieson electrolytic cell for the production of the two chemical products. The plant is scheduled to go on stream by the end of 1961.

The new plant, which will be located on a 600-acre site on the Hiwassee River, will have a capacity of 180 tons a day. Olin-Mathieson now produces chlorine and caustic soda at Niagara Falls, N. Y., McIntosh, Ala., and Saltville, Va.

A company spokesman said the new plant will enable Olin-Mathieson to better serve Southern markets. The Chemical Division of the corporation is now a major supplier of chemicals to such Southern industries as textiles, rayon, pulp, and paper.

This new construction is in addition to the \$30-million chemical expansion program already announced by the company. Other new construction, modernization, and expansion projects include:

- Improved chlorine production facilities at Niagara Falls.
- New facilities for petrochemicals at Brandenburg, Ky.
- New facilities for production of sulfamic acid at Joliet, Illinois.
- Construction of a new hydrazine plant at Saltville, Virginia.

RCA Improves Diodes To Speed Up Computers

New York—Radio Corp. of America has announced the development of a new device aimed at speeding up EDP equipment performance.

RCA introduced what it called a "radically improved" tunnel diode that could be used to make a computer 100 times faster than current day models.

The company is now producing four types of the new diodes, which are available at prices ranging from \$5.60 to \$22 each in quantities of 1,000 or more.

Tunnel diodes, which switch current from one circuit to another at high speed, do essentially the same work as transistors.

Industry News in Brief

Crosley Consolidates

Cincinnati—The Crosley Division of Avco Corp. announced it will shut its plant here and consolidate all its operations at Richmond, Ind. and suburban Evendale. It hopes to have the shift completed by Dec. 1.

A company spokesman described the move as "a continuation of the program we started in April to get our division operations and overhead down to a point where we can compete more effectively in the defense market."

The shift calls for concentration of all division electronics work at Evendale and ordnance work at Richmond. Division headquarters will be transferred to Evendale. The Evendale plant produces radar units, air traffic control systems, communication equipment and is engaged in infrared research, primarily for the armed services.

The Cincinnati plant will be put up for lease or sale.

Gypsum Plans Expansion

Buffalo, N. Y.—National Gypsum Co. is planning to spend "at least" \$275,000,000 for expansion in the coming decade.

This expansion, declared Melvin H. Baker would mean sales of more than double last year's \$226,277,806 and nearly 1,300 times greater than the volume of only \$390,039, back in National's first year of operation, 35 years ago.

Baker said that the minimum of \$275,000,000 that the company plans to invest in the next decade will be spent for construction of new plants, additions to the company's 60 existing plants, and new equipment.

The expenditures do not include new companies which National Gypsum will acquire through exchanges of stock, he added.

Cement Plant in Alaska

Anchorage, Alaska—Permanente Cement Co., Oakland, Calif., plans to construct Alaska's first cement manufacturing plant in Sutton, near here.

The company has filed claims covering 240 acres of high grade limestone deposits in the Upper King's River Valley, and a site has been acquired in Sutton for the plant.

Initial capacity of the \$5-million plant will be approximately 500,000 barrels annually, with provision for future expansion. The company's existing distributing facilities at Anchorage and Fairbanks will continue as main marketing points.

Monsanto Expands

St. Louis—Monsanto Chemical Co. has expanded its capacity to produce maleic anhydride by 20-million pounds per year.

With the new facilities, the company reports that it has increased its potential output to a total of 60-million lb. per year. Monsanto is the largest producer of maleic anhydride, a chemical used in making plastic resins and surface coatings.

Optical Sets Up Subsidiary

Pasadena, Calif.—Electro-Optical Systems has set up a subsidiary, Micro-Systems, to manufacture microminiaturized semiconductor products, other than transistors and diodes.

Two products are already in production. One is a semiconductor strain gage for micro-stress measurement for all types of military and space applications. The other item is a unique electro optical device called a radiation tracking transducer.

Chemical Firm Expands

Broger, Tex.—Phillips Chemical Co., a wholly owned subsidiary of Phillips Petroleum Co. has expanded the production capacity of its new "Cis-4" polybutadiene rubber plant here by 5,000 long tons a year.

A company spokesman said this increased capacity, in addition to the 20,000 tons a year currently being produced, was made necessary by the strong demand for the new Phillips-developed synthetic rubber.

Air Reduction Expands

Richmond, Calif.—Air Reduction Pacific Co. will expand its five-month-old air separation plant here by 20%, in an effort to "serve the rapidly growing industrial needs of the San Francisco Bay area."

The \$1-million expansion program, will lift the plant's rated capacity to more than 65 tons of high purity argon, nitrogen, and oxygen a day.

In addition, the company will add 7,000 sq. ft. of floor space and storage facilities for an additional 10-million cu. ft. of industrial gases. Construction is set for completion in early 1961.

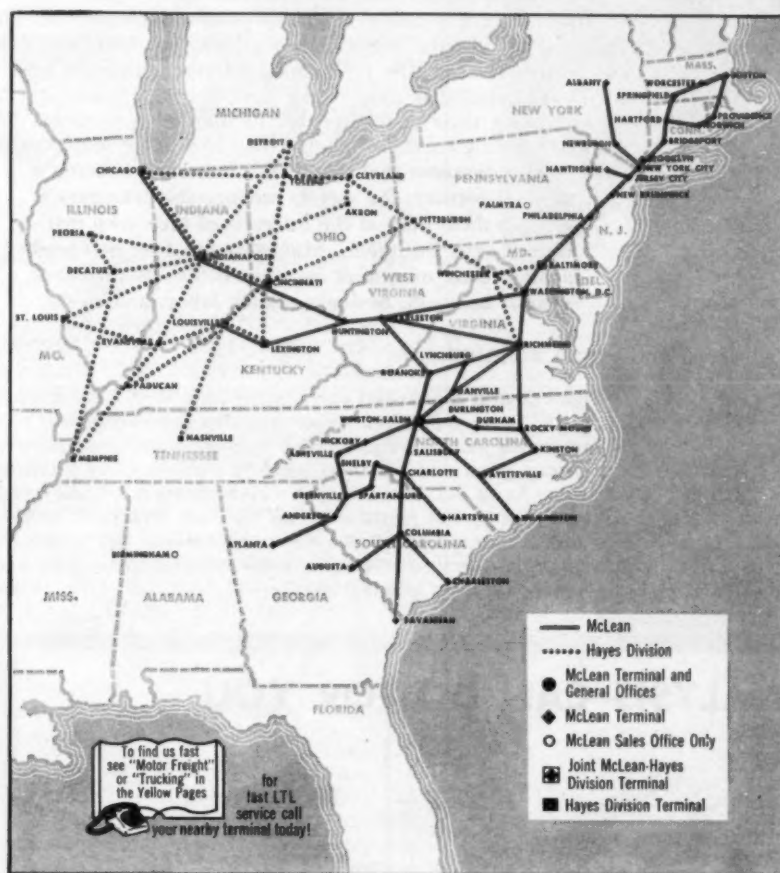
Cumene Plant Opens

Westville, N. J.—Texaco, Inc. has started production at its large cumene plant here. The new facility has a capacity of about 70-million lb. of cumene per year.

Cumene, once used as a high-octane blending stock for aviation gasoline, is now an important raw material for the chemical and plastics industry.

A Texaco spokesman said the new plant has been designed specifically to produce exceptionally high-purity cumene that will facilitate the manufacture of quality phenol and phenolic plastics.

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P/W MANAGEMENT MEMOS

A collection of timely tips, quotations, and inside slants on management and industrial developments, along with a run-down of events and trends of use to the purchasing agent.

Company Loyalty

Is the Organization Man's spare time really his own?

This question is raised by a number of companies that have been indulging in some heavy soul searching of late over the trend among engineers and other scientists to take on outside teaching, writing, or consulting jobs, a practice popularly known as "moonlighting."

According to a survey by *Chemical Week*, an increasing number of firms are unhappy over such extra-curricular activity and are doing something about it. About half the organizations polled now prohibit personnel from taking on spare time research or consulting jobs. A few forbid teaching as well.

Companies say they disapprove of moonlighting because they pay their scientists generously enough to claim their undivided loyalties—and because outside work inevitably cuts into company time.

Company practices vary widely, however, where outside income is the point at issue. An Illinois chemical firm, for example, allows its researchers to do nonpaying work on company time. A Michigan firm, on the other hand, requires its employees to donate to charity all honorariums received for technical papers and teaching. A research outfit in California goes these firms one better—it pays employees for outside teaching and writing, rather than have them get income from an outsider.

Free Government Publications

A rich source of information for P.A.'s who want to keep posted on government research activities is provided by the Business and Defense Services Administration of the Dept. of Commerce.

The BSDA has 25 industry subdivisions and four other offices, all of them engaged in hundreds of research projects on industrial economics, industrial mobilization, pricing, and commodity and material movements. A list of publications covering these topics is available from the BSDA, Dept. of Commerce, Washington 25, D. C., or your nearest Dept. of Commerce field office.

Another useful group of publications is indexed biweekly by the Superintendent of Documents, Government Printing Office, Washington 25. This is a general list, but it includes a number of valuable business studies, such as "The Value of Service in Rate-Making," an Interstate Commerce Commission report on freight service and freight rates.

Balance of Managerial Power

As big government, big labor, big military, and big education join big business in complexity, a new social group has come to power. This group is the managers, the non-owning controllers of most of America's affairs today, says James Burnham, author of "The Managerial Revolution," a classic book about the growth of professional managers.

Burnham feels that managers are not sufficiently accountable to anyone. The problem is how to control a group that is rapidly losing contact with the people for whom they manage; that is, stockholders, union members, consumers, citizens.

Here are the problems of managing the managers.

- Once they consolidate their positions in organizations, the managers' interests no longer correspond with those they manage.

- Unrestricted managerial predominance tends to be wasteful and inflationary: Works is expanded; bureaucratic jobs are made.

- Managerial activity tends to become inbred, self-justifying.

- Managerial predominance tends toward regimentation and suppression of active democracy.

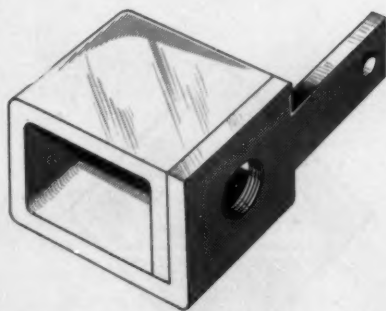
The apparent solution to the problems seems to be this: If you don't like the way things are being run, vote them out of control. But actually the managers have figured out how to avoid the possibility too. They have learned techniques for manipulating their "constituents" to their own purposes and even for getting them to imagine they like being manipulated.

To guarantee that they won't unite and become a new aristocracy, the way to manage the managers is to keep them busy at the interests of their own institutions says Burnham. Managers must be balanced against their own kind in other fields—government against business, business against labor, and so on.

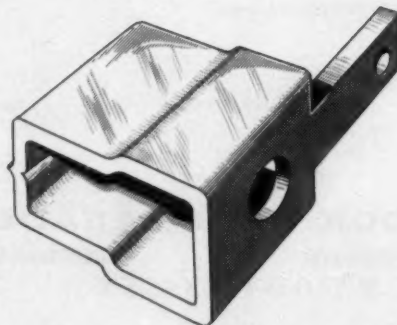
Short Pointer

Worthington Corp. has come up with a new idea in value analysis. It's a yellow telephone installed in the lobby of each Worthington plant, alongside of which is a panel with samples of various parts and products used by the plant. If a visiting salesman has a better or cheaper way of doing a job, all he has to do is pick up the phone and call the P.A. direct. Worthington says it gets a lot of good VA contributions this way—and salesmen find they sometimes can save themselves a long wait by coming up with bright ideas.

WHAT VALUE ANALYSIS CAN DO FOR YOU



BEFORE ANALYSIS: Terminal for electric meter was fabricated from sheet of flat metal stock, required several bending operations.



AFTER ANALYSIS: Specialty supplier suggested making terminal from piece of preformed tubing, eliminating all bending.

Source: General Electric Co., Schenectady, N. Y.

TECHNIQUE:

Seek advice of specialty vendors.

SAVINGS:

Part cost cut 70%
(from 9¢ part to 2¢)

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What topics do you cover in reports to management on the purchasing department's activities?



T. W. Lawless, purchasing agent, Weaver Mfg. Co., division of Dura Corp. (automotive service equipment), Springfield, Ill.:

"Actually the purchasing department of this company, or any company for that matter, is involved directly or indirectly with all phases of plant operations, whether it be sales, engineering, production, stores, inspection, etc. Consequently there are frequent discussions with management on topics connected with any or all of these departments and purchasing. Such topic reports are made at the spur of the moment meetings, or at planned staff conferences. Written reports, however, prepared periodically and regularly, cover specific topics associated directly with purchasing procedures; changes in buying policy to realize better prices, quality, or service; anticipated normal price increases expected, or extended delivery promises which might result in rescheduling of materials; and, most particularly, comprehensive reports on savings effected by a value analysis program in effect at all times, with which purchasing is directly connected."

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C. T. Haffey, director of purchases, Chas. Pfizer & Co., Inc., Brooklyn, N. Y.

"Any major change or happening is naturally reported on immediately. Monthly and annual reports are made to top management on the following: (1) Price changes of important materials—fuels, raw materials, etc. (2) Significant savings made by anyone. (Buyer's name is mentioned with a brief explanation of circumstances.) (3) Statistics—sometimes shown graphically—expenditures and orders featuring a comparison with previous periods. (Actual versus budgeted personnel.) (4) Market conditions of the one or two most important materials. (5) Annual price comparison of 10 or 20 major items showing percent change."



J. W. Howe, purchasing agent, Wyomissing Paper Products Co., Reading, Pa.:

"As part of the management team, reports are made verbally each week at management meetings on current activities and problems. In addition a detailed written report is made each January first covering raw materials as follows: (1) Price and trends over the past year and predictions for the immediate future. (2) Sources of supply—past relationships and new developments. (3) Savings accomplished as a result of purchases over the past year. (4) Prospects for future supplies of material, shortages, etc. (5) Review of purchasing functions and personnel over the past year with recommendations for the future."



H. E. Troyer, director of purchases, Bernardin Bottle Cap Co., Inc., Evansville, Ind.:

"Purchasing operates as a part of the management team and along with department heads of the financial, sales, and production divisions reports directly to the company president. Written reports are held to a minimum and when made apply to items of long range interest or of a confidential nature. Through daily contacts and periodic staff meetings management is advised of changes or trends in raw materials, markets, and new materials or equipment development and their relation to our company."



K. W. Schricker, purchasing agent, Midwest Metals Corp. (steel & construction materials distributors), Davenport, Iowa:

"The main topic covered in reports to management is the 'inventory status.' Inasmuch as we are a steel service center, service is our business. Not manufacturing a product, we have no production schedule, but it is necessary for purchasing to work very closely with management and sales. This is accomplished by daily inventory status reports of the various categories of the steel we maintain in inventory. These are rather comprehensive reports and reflect daily sales and incoming shipments of our inventory."



W. C. Kendrick, purchasing agent, H. P. Hood & Sons, Inc. (dairy products), Charlestown, Mass.:

"We use four types of reports: (1) weekly report to management board—covers items that require an appropriation. We discuss our estimated requirements and how they compare with last year's prices, etc. These reports also include information on new or unusual items, annual leases and contracts, and pertinent price changes and trends. (2) Monthly activities report—shows what special purchases our buyers are working on. (3) Quarterly savings report—lists unusual savings by buyers and relates how this was accomplished. (4) Annual report—presents our objectives for the coming year and evaluates our accomplishments in terms of the previous year's goals."

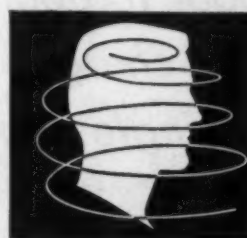
NEXT WEEK—SEPT. 12

Six purchasing men answer this question:

What factors do you consider in determining the average cost of a purchase order?

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Pentagon Objections Torpedo SBA Defense Contract Program

Washington — House-Senate conferees failed to agree last week on a bill authorizing the Small Business Administration to set up a program under which smaller companies would be awarded subcontract work for prime defense contractors.

The measure was introduced as an amendment to the Small Business Act by Sen. William Proxmire (D-Wis.) and other members of the Senate Banking & Currency Committee.

But Proxmire fought on by in-

roducing a new bill empowering SBA to get into the defense subcontracting field, but watered down the language to mollify critics of his original bill.

Pentagon objections to the measure have been largely responsible for the legislative difficulties of the Proxmire proposal. The Defense Dept. argues against delegating authority over military contractors to SBA, claimed its own policies were adequate to assure subcontracting of defense work to smaller firms. Many

Congressional leaders—notably in the Armed Services Committee—and defense industry representatives here also object to the Proxmire proposal.

Must Farm Out Work

Under the Pentagon's program, all prime contractors with contracts of at least \$1-million are required to farm out work to small business "to the maximum extent feasible." The rules provide that "conditions of purchase"—submission of proposals,

delivery schedules, etc.—be "such as to afford small business full opportunity to compete" for subcontract work.

Proxmire and other Congressional small business advocates argue that Pentagon's program is inadequate. For one thing they are dissatisfied because they feel the program fails to set definitive guides on subcontracting awards—in terms of percentage set-asides for smaller firms, for instance.

The Proxmire proposal would

give the Small Business Administration a more direct role in small business defense subcontracting. But it does not spell out in detail how the agency is to handle the chore.

The measure's proponents envisage a plan under which SBA representatives would be stationed at major prime contractors' plants—as they are at major military procurement offices—with access to the prime contractors' production schedules and authority to direct subcontracting to qualified small companies.

Modified Language

In his latest bill, Proxmire has modified the provision to include this language: The program shall not "prescribe the extent to which any contractor shall enter into subcontracts or specify the companies to which subcontracts are to be granted."

The defense subcontracting provision was one of several amendments made by the Senate Banking & Currency Committee to a House-passed bill increasing SBA's revolving fund for business loans. The Senate approved the bill, containing the defense subcontracting provision, in July.

The Defense Dept., meantime, has released a report requested by the Senate Small Business Committee, summarizing its small business assistance program for fiscal 1960.

The department reports that the volume of subcontracting to small business totaled \$1.7-billion during July-December 1959, the latest period for which figures are available. This compares with \$1.6-billion in January-June 1959 and \$1.5-billion July-December 1958.

The Pentagon said placement of the military services (or, presumably, the SBA) in prime contractor-subcontractor relations would complicate defense procurement practices.

Actions Taken

The Pentagon's report summed up actions taken in the past year to encourage subcontracting to small business:

- The military small business subcontracting program, run as a voluntary plan since it was set up in 1955, was made mandatory for prime contractors.

- A prime's degree of "effectiveness" in the subcontracting program has been recognized as a factor in determining the prime's profit rate or fee.

- Military contracting officers have clamped tighter control over prime contractor planning on whether to make or to buy specified components. The result is that "the position of efficient small business subcontractors is now given more protection than formerly."

- Prime contractors who received progress payments from the military must now pass on funds to small business subcontractors "in conformity with the standards that apply to customary progress payments for primes."

The Pentagon's report said that small business has been averaging over \$7-billion worth of defense contracts per year—both as primes and subs—in the past three years. This is out of a total rate of procurement averaging \$21.2-billion annually.

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The LAW and YOU

BE KIND TO SUPPLIERS

It's not good business to take advantage of a vendor when he is serving you under a "requirements" contract by which he promises to supply all the goods you may need during a certain period.

Because most requirements contracts rigidly fix the unit price, some buyers have been tempted to take unfair advantage of their vendor in times of sharply rising prices. They do this by increasing their orders far above their requirements and then selling the surplus at a nice profit.

The courts, however, take a dim view of this. They hold that a buyer must act in good faith, and that a seller is required to supply only the buyer's reasonable needs. The seller does not have to supply at the fixed unit price any more units than the purchaser actually needs.

The courts interpret the word "requirements" literally—what a buyer actually needs for his own use and no more.

STRAIGHT TALK

Avoid inconsistent and conflicting clauses in purchase contracts. They can lead only to expensive and drawn out litigation. And although a court may interpret them to implement your intention, it's best in the long run to steer clear of a courtroom battle. There is always the chance the court may construe the contract against you or hold the entire contract void.

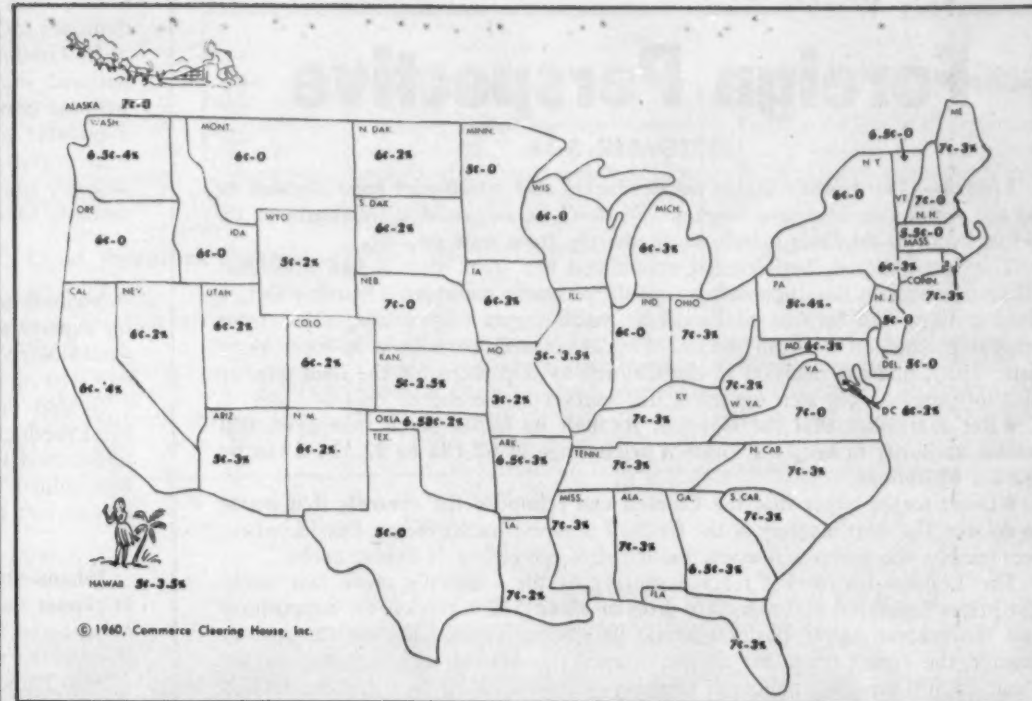
A court can interpret conflicting clauses in various ways. For instance:

- When one clause conflicts with another, the clause which implements the general purposes of the contract is entitled to the greater consideration.
- Where two clauses are so repugnant that they cannot stand together, the first clause will prevail and the second will be discarded unless the inconsistency is so great as to void the entire contract.
- Where a contract is partly written and partly printed, the written terms prevail over the printed terms where they conflict.
- Handwritten terms are accepted before typewritten terms, and typewritten terms or stamped terms before printed terms.

STRIKE IT OUT

Crossed-out or erased words are not binding in a contract—unless the agreement is ambiguously worded.

Take this case: A contract calling for installation of a sprinkler system did not clearly identify the party who was to furnish the materials for the sprinkler. A provision that had been crossed out, however, stated that the seller was to furnish the materials. Using



TAX MAP: Buyer's Guide to gasoline and sales taxes lists levies imposed by each of the 50 states as of July when Kentucky became the 34th state

to impose a sales/use tax. The figures, left to right, show state gasoline tax per gallon and the sales tax rate. Local municipal taxes are not indicated.

the crossed-out provision as a clue, the court inferred that the intention of both parties was that the buyer would supply the sprinkler material.

TO PAY OR NOT TO PAY

You don't have to pay for extra services rendered, if those services are covered by the terms of the agreement—or if you have stipulated in your contract that you will not pay for extra work.

Such a provision will not hold, however, if the work is performed at your request, or if it has been your past custom to pay for extra work. In a recent case, a court held that a stipulation against extra pay was not valid in view of the buyer's custom of paying the seller for extra services rendered.

NO IMMUNITY FOR FRAUD

The law doesn't grant the seller immunity for fraud—even though your contract waives any false representations made by the seller. Consider this case:

Buyer contracted to purchase seller's entire stock of goods. The contract stated that buyer had examined the goods and had waived all claims for damaged goods and shortages. Later the buyer sued, charging fraud. The court, ruling in favor of the buyer, held that the seller through fraudulent statements induced the buyer to sign the contract without first examining the goods—and that the waiver provision itself was invalid because it was procured by fraud.

In the absence of fraud, however, the buyer would have waived his rights by signing a statement that he had inspected the goods and found them in good condition.

HIGH COST OF CHEAP HELP

Don't try to save money by buying cheap labor—it probably will cost you more in the long run.

If you hire an inexperienced contractor to do a job, knowing full well that he is not skilled, you cannot hold him for breach

of implied warranty. Example:

You hire a man to install a new boiler in your plant, with the knowledge that he is not a licensed plumber and has no experience in installing boilers. If the boiler explodes, you have no action for breach of implied warranty.

However, he would be liable if he had claimed to be a qualified boiler installer, and you had no reason to believe that he wasn't.

VALID COSTS

The cost-plus formula is a handy way of fixing compensation for a construction job—but make sure that you differentiate between costs that are legitimate and those that are not. Items generally accepted as legitimate in a cost-plus contract—in addition

to the obvious ones of labor and material—include:

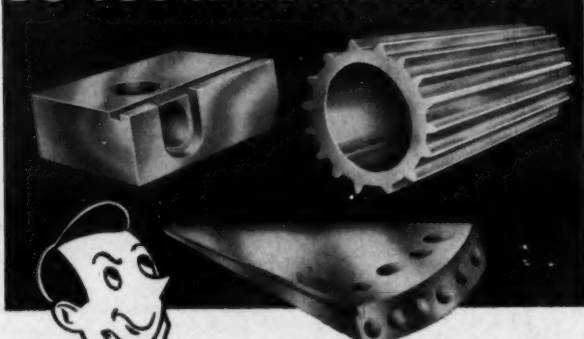
- Payments to subcontractors.
- Liability and compensation insurance contractor is required to carry.
- Cartage and operating expenses.

Items that are not acceptable in a cost-plus contract include:

- Overhead charges.
- Equipment charges.
- Depreciation of equipment used by contractor.
- Cost of redoing work which was done negligently.

(The above material was prepared by Sydney Prerau of the J. K. Lasser Tax Institute for PURCHASING WEEK. Reader inquiries on general tax and legal aspects of purchasing will be discussed here in accordance with space limitations and applicability.)

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Foreign Perspective

SEPTEMBER 5-11

London—The world's major tin producers and consumers have decided to let the metal ride in a free market. So don't be surprised if international tin prices begin to fluctuate a little more sharply from now on.

The International Tin Council announced last week that it had abolished all restrictions on tin shipments by its six producer members. Starting Oct. 1 these nations will be free to export as much tin as they desire, either from current production or from stocks. Export controls have been in force since Sept. 1957, and the decision of the Council to skip them for the final quarter of 1960 marks a big step toward a free market in the metal.

• But remember that the Council, through its buffer stock managers, still retains authority to keep tin within a price range of \$2,184 to \$2,324 a ton by market operations.

• Don't forget either that the Council can reimpose the controls if it wants to do so. The next meeting of the Council is slated for Rome on Dec. 5, when, presumably, the group will assess the effect of the easing of export curbs.

The London tin market reacted sharply to the Council's move last week. Tin prices registered an immediate drop of about \$22 a ton on the supposition that the general supply position would be sharply eased. During the current quarter, the export quota for all the Council's producing members has totaled about 75,500 tons—just short of capacity—in spite of the fact that the United

States, biggest single customer in the tin market, has been easing off in its demands for the metal.

In London, some dealers look for some firming in tin prices on the international exchange on the expectation that demand will continue steady and perhaps grow stronger. However, in the United States some experts look for a possible drop of about 3¢ a lb. to around 98¢ or 99¢. But these U. S. sources pointed out that much depends on future operations of the U. S. steel industry (now in a production slump) and in how the producer nations, particularly Malaya, react to the new market freedom.

Melbourne—The Australian government is setting up additional restrictions on exports of scrap iron and steel. Export quotas for the first half of 1961 would be reduced to 15,000 tons. It is also believed possible that a complete embargo on scrap exports could be invoked later on next year.

Behind the Australian government's proposed action are new projects for local production of pipe and other products requiring scrap supplies. It is also understood that all classes of scrap exports now exempt from control will be reexamined with a view to putting some of them on the restricted list in the second half of 1961.

Johannesburg—Mining interests in Southeast Africa are planning an increase in copper output. The Rio Tinto Mining Co., which is taking over the Emka Mining and Trading Co. mine, plans construction of a new smelter and is understood to be discussing a further increase in capacity.

The Taumet Corp. also has reopened copper works in another section of Southeast Africa.

Tokyo—The Japanese Plywood Manufacturers Assn. has ordered a 40% curtailment in the export of plywood to the United States in the fourth quarter of this year. The Japanese plywood firms also said exports to the U. S. would be reduced by 25% in the current quarter.

The Association decided that an ex-factory price of not less than \$3.80 per hundred sq. ft. would restore order and stability of Japanese plywood exports to the U. S. Some exporters have been offering plywood at \$3.00 per hundred sq. ft., or about 50% of the floor price at its peak in 1959.

The Association figures that its export restrictions will remove about 100-million sq. ft. of plywood from U. S. markets during the final six months of 1961. Last year Japan exported 1,160-million sq. ft. of plywood of which 760-million sq. ft. went to the United States.

Moscow—Japanese businessmen are out to crack the Soviet market in a big way. They have set up in Moscow the largest industrial exhibition ever held outside the Japanese home islands with more than 217 manufacturing firms and 127 trading companies participating in the fair.

And the Soviets are capitalizing on the Japanese exhibition to tell Japanese businessmen trade relations would become better if Japan would loosen its ties with the U. S.

The exhibition, which opened last month and runs into Sept., features many items such as toys, transistor radios, and cameras, but 80% of the exhibits are industrial and include: machinery and equipment for textile, chemical, and machine tool industry, and optical and electronic instruments.

The sales-hungry Japanese at the fair hope to sell all the equipment on display as well as take new orders. The exhibits alone are valued at many millions of dollars more than the value of the products exhibited earlier this year in New York.

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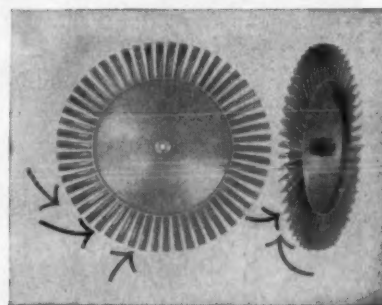
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Foreign News in Brief

British Motors Expands

Bathgate, Scotland—British Motor Corp. has launched the second phase of a \$137.2-million expansion program with the start of construction of \$31.5-million plant here.

The new facility, scheduled for completion by late next year, will be used for production of trucks and tractors and their diesel engines, gear boxes, transmissions, and axles, thus permitting the company's Birmingham plant to devote its entire production to cars.

The over-all expansion drive is expected to lift BMC auto output from 750,000 cars/year to over 1-million.

Canadian Bristles

St. Johns, N.B.—Red China, which has a virtual monopoly in the sale of hog bristles to paint brush manufacturers here, may have priced itself out of the market.

H. Hallworth, general manager of T. S. Simms & Co., brush maker, accused the Communists of having taken advantage of their position to lift world prices for hog bristles 53% in the past year. Canadian brush makers, who bought some \$800,000 worth of the Red bristles in 1957, can now buy nylon bristles at a lower cost elsewhere, Hallworth said.

Factory Complex Rising

Milan—A huge industrial complex to produce plastics, paint, and electrical appliances is being built by the Manifattura Ceramica Pozzi at Sparamise in Southern Italy.

The first of the four factories, the paint operation, is scheduled to be completed in the spring of next year. The two plastics plants and the facility for producing electrical household appliances are expected to begin operations in 1962.

Dutch Exhibit in Russia

Amsterdam—For the first time in history, a Dutch industrial show will be held in Moscow.

Netherlands manufacturers of medical and scientific apparatus, control devices and optical articles will open a two-week exhibit beginning Nov. 10 at the Russian capital.

The show is being sponsored by the Netherlands-USSR Institute and the Stemmmer-Inex N.V. company of Hilversum.

Toho Deals With Reds

Tokyo—Toho Shokai (Oriental Trading) Co. has signed a contract to export \$6.5-million worth of textile machinery to the Soviet Union.

Under the deal, signed with the All-Soviet Industrial Techniques Import Corp., Toho will deliver cotton dyeing and finishing machinery, 600 sets of automatic weaving machines for making silk, rayon and man-made fabrics and other types of textile equipment during the next two years.

The contracts calls for 20% of the money to be paid in cash and

the balance over a five-year period at 4% interest.

Syrians Get Loan

Beirut—The U.S. Development Loan Fund has given the Syrian region of the United Arab Republic a \$5-million loan, under an agreement signed in Damascus.

The 10-year loan was made to the Industrial Bank in Damascus for financing small industrial projects in the Syrian region. No

single industrial establishment will obtain more than \$500,000 of the loan, which will be used for the purchase of local materials and products.

Opel Revamps Rekord

Bonn—Opel, GM's wholly owned German subsidiary, has revamped its three-year old Rekord series with hopes of pepping up dwindling sales in the U.S.

Two hardtops and the Car-A-van station wagon have been

given typically American styling, including wrap-round windows.

Manganese for Cotton

New Delhi—India's state-owned State Trading Corp. has completed a barter deal with four American firms to sell them \$7-million worth of manganese in return for short staple U.S. cotton.

Under the deal, The Ferro Metal and Chemical Corp., Associated Metals and Minerals Corp., Colodetz & Co. and the Overseas Metal & Ore Corp., are expected to supply India with about 50,000 bales of cotton, from the

stocks of the U.S. Commodity Credit Corp.

Coal Haulers Map Action

Toronto—Coal dock operators and coal hauling railways, faced with the loss of bituminous coal sales to the natural gas industry, are planning some price action.

Representatives of 10 U. S. railroads, the Canadian National Railway, the Canadian Pacific Railway, and the Canadian Commercial Coal Dock Operators Association agreed at a meeting here that lower rail freight costs were needed to meet competition on a "dump price" basis.

IT PAYS TO STANDARDIZE ON STANSCREW



Stanscrew fasteners add to reliability of **SPEED QUEEN** appliances

Speed Queen laundry appliances are built to take a beating. In these automatic washers and dryers, components are necessarily subjected to vibration, heat, moisture, and customer abuse . . . must withstand punishment year after year if Speed Queen's outstanding reputation for quality is to be upheld.

For example, consider the socket set screw being inserted on the motor pulley above. Should this loosen, the customer would have to pay for a service call . . . and Speed Queen would have to pay in consumer dissatisfaction. Therefore, to maintain rigid quality standards, Speed Queen has chosen Stanscrew fasteners for this

and other demanding applications.

Despite their high standards of quality, Stanscrew fasteners are economically priced. And they are offered in a comprehensive selection of over 5,500 different types and sizes to meet the overwhelming majority of all fastener requirements. All 5,500 are quickly available through your local Stanscrew distributor.

Call your Stanscrew distributor today. He will arrange a visit from a Stanscrew fastener specialist who can often suggest ways to cut assembly or fastener costs . . . for example by substituting an inexpensive standard fastener for a costly special.



FASTENERS

CHICAGO | THE CHICAGO SCREW COMPANY, BELLWOOD, ILLINOIS

HMS | HARTFORD MACHINE SCREW COMPANY, HARTFORD, CONNECTICUT

WESTERN | THE WESTERN AUTOMATIC MACHINE SCREW COMPANY, ELYRIA, OHIO

STANDARD SCREW COMPANY

2701 Washington Boulevard, Bellwood, Illinois




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The superiority of the vast number of products that are — and can be made from Roebling Cold Rolled Flat Spring Steel is a fact known throughout all industry.

You pay for mechanical and dimensional uniformity when you buy flat spring steel... you get it when you buy Roebling.

For information on how our products can help yours, write Roebling's, Wire and Cold Rolled Steel Products Division, Trenton 2, New Jersey.

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Branch Offices in Principal Cities
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The Colorado Fuel and Iron Corporation

Roebling... Your Product is Better for it

SHARPEN YOUR SKILL WITH NEW MATHEMATICAL 'GAMES'

You'd think that by now somebody would have invented a special mathematics to guide the P.A. in his eternal warfare against prices, haphazard systems, and guesswork decisions.

Actually **such guides are beginning to appear on the horizon**—though few know about them as yet. For they involve new concepts in logic and mathematics that baffle the ordinary thinker.

Once mastered, these new arts give the possessor an almost unbelievable competitive edge over people and situations. Fabulously great names in the academic world (John Von Neumann and Oskar Morgenstern, among them) did the pioneer work. The military adopted it and tested it on the roughest of all proving grounds—the battlefield. Hence the space-age industries picked it up in their top-level thinking.

NOW PURCHASING WEEK WILL MAKE THESE POTENT MATHEMATICAL-LOGICAL TOOLS AVAILABLE TO YOU REGULARLY. WITH THE HELP OF TWO EXPERIENCED CONSULTANTS (SEE BELOW), PURCHASING WEEK HAS BEEN ABLE TO SHAPE THESE DIFFICULT CONCEPTS INTO A "GAME" FORMAT WHICH WILL TEACH YOU IN AN EXCITING, EASY-TO-UNDERSTAND MANNER SKILLS THAT ONLY A HANDFUL OF PEOPLE TODAY POSSESS.

Here's what to look forward to:

- Beginning Sept. 19, PURCHASING WEEK will inaugurate a "Games" page entitled "School for Strategists." It will appear in alternate issues.
- Two types of games—derived from two, distinct types of mathematics and logic—will be presented:

IN ONE ISSUE you'll find games based on a system called The Theory of Games of Strategy. These

require you to match your wits against an equally competent opponent to win a stated objective. In short, these games will **teach you the strategy of person-to-person victory.**

IN THE NEXT ISSUE you'll find games based on a system called Operations Research. In these, you have to pick or devise an entire procedure to overcome some nettling problem. In short, these games will **teach you how to create order out of chaos.**

- Each game will have one—and only one—correct solution (printed in the same issue as the game).
- The games will duplicate as closely as possible the reality of the business and purchasing world.
- Sufficient rules and instructions will be included with each set of games so that you can go to work instantly.
- By playing the games regularly, **you can acquire the methodology and discipline of two ultra-effective arts as yet mastered by only a few initiates.**

Remember this: While the theory behind the games is extremely complicated and difficult, you nevertheless will be able to play because **PURCHASING WEEK's consultants have substituted rules and clues in place of theory.** In other words, your mathematical knowledge itself won't be at stake—but **your sharpness will be put to a pretty tough test.**

What you will come away with—aside from sheer challenge and fun—is a new set of tools for a profession in which expertness is becoming more of a must every day.

To get an idea of what's in store for you, see the sample problems below. The answers to these teasers are being omitted purposely.

P/W GAME EXPERTS

JOHN M. OWEN, JR. will devise and present PURCHASING WEEK's strategy games. A graduate of Columbia and New York University, he currently is teaching purchasing and inventory control in the Graduate School of Business at Wagner College. Previously he taught at Fordham, and was associated with the Econometric Institute and Western Electric as economist, research analyst, and commodity expert. His approach to this new feature is that "the Purchasing Executive is eager to add new tools to his kit—if you clearly can demonstrate their value."

MARTIN R. LEIBOWITZ, who has delivered a paper on the Military Application of Game Theory, is another PURCHASING WEEK's games wizard. A graduate of the University of Chicago, Leibowitz formerly was employed by the Convair-San Diego Div. of General Dynamics Corp. on such Air Force and Navy projects as Manned Interceptor Defense Systems, Missile Error Studies, and the Military Aspect of Earth Satellites. In 1958, he joined the Stanford Research Institute.

WHAT THE 'GAMES' ARE LIKE

1. THIS PROBLEM CAN BE SOLVED BY THE THEORY OF GAME OF STRATEGY:

Two competing companies—Arnold Corp. and Byerson Corp.—want to bid on a contract. They are such bitter rivals that they will thwart each other at the drop of a hat; in fact, each even thinks of the other fellow's losses as his own gains. Here is their situation:

- If Arnold bids and Byerson does not, Arnold will lose \$2,000.
 - If both bid, Arnold thinks he can gain \$1,000.
 - If Byerson bids, and Arnold does not, Arnold figures he's \$2,000 ahead.
 - If neither bids, Arnold thinks he's \$3,000 better off than Byerson.
- What should Arnold do?

IF YOU KNEW HOW TO PLACE THE CORRECT VALUES IN THE LITTLE BOX AT THE RIGHT AND MAKE A FEW SIMPLE MANIPULATIONS, YOU COULD SOLVE THIS SITUATION CORRECTLY IN ONE MINUTE.

	BYERSON	
ARNOLD		

2. THIS PROBLEM CAN BE SOLVED BY OPERATIONS RESEARCH THEORY:

Purchasing Agent Frank Smith is getting some bids on a certain kind of material. It costs him about \$200 to process a bid. The more bids he gets, the cheaper the price of the material—or, to put it another way, the greater the savings to his company, thus:

No. Bids Solicited	Price Saving
1	0
2	\$500
3	850
4	1,100
5	1,200
6	1,300

HOW MANY BIDS SHOULD HE SOLICIT? HERE'S A CUE: ADD TWO MORE ROWS OF FIGURES TO THE PAIR ABOVE AND THEY'LL TELL THE STORY.



Simple Accounting System Does Inventory Chores for Linde Co.

Essington, Pa.—A simple, integrated accounting system is keeping separate tabs on some 12,000 types of parts stocked by the Linde Co. plant here.

The control system, developed by Linde, a division of Union Carbide, not only supplies accurate, up-to-date inventory in-

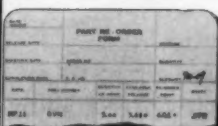
figure from the stock ledger to insure that the transfer of information has been made correctly. If an error has been made, the machine will refuse to accept more data until the mistake has been corrected.

The machines are programmed to compile running totals on raw materials, manufactured parts, finished products, and finished units in stock that are available for shipping. The totals accumulate in the machines and then at the end of the posting run are printed on the control ledger.

The machines also are programmed to prepare part re-order forms and print the number of parts needed when current stocks fall below the re-order point.

SIMPLIFIED INVENTORY: Burroughs machines (above) record status of each Linde inventory part ledger; re-order form is produced automatically when quantity falls below certain level (400 in example at left).

STOCK LEDGER									
Part No.	Description	Unit	QTY.	UNIT PRICE	TOTAL	RE-ORDER QTY.	RE-ORDER PRICE	TOTAL	REMARKS
1000	1/2" DIA. STEEL ROD	FT.	100	1.00	100.00	400	1.00	400.00	
1001	3/4" DIA. STEEL ROD	FT.	50	2.00	100.00	200	2.00	400.00	
1002	1" DIA. STEEL ROD	FT.	25	4.00	100.00	100	4.00	400.00	
1003	1 1/2" DIA. STEEL ROD	FT.	10	8.00	80.00	40	8.00	320.00	
1004	2" DIA. STEEL ROD	FT.	5	16.00	80.00	20	16.00	320.00	
1005	2 1/2" DIA. STEEL ROD	FT.	2	32.00	64.00	8	32.00	256.00	
1006	3" DIA. STEEL ROD	FT.	1	64.00	64.00	4	64.00	256.00	
1007	3 1/2" DIA. STEEL ROD	FT.	1	128.00	128.00	2	128.00	256.00	
1008	4" DIA. STEEL ROD	FT.	1	256.00	256.00	1	256.00	256.00	
1009	4 1/2" DIA. STEEL ROD	FT.	1	512.00	512.00	1	512.00	512.00	
1010	5" DIA. STEEL ROD	FT.	1	1024.00	1024.00	1	1024.00	1024.00	



formation whenever needed, but also cuts accounting costs.

Core of the system, according to Matt E. Ranes, Linde office manager, are two Burroughs F-300 Sensimatic Accounting Machines, which are used to keep stock ledgers up-to-date on parts needed for the production line. The plant turns out a wide variety of products used in electric welding processes.

The ledgers list such essential data as the actual quantity on hand of a given part, its value, and total quantity available. To update the ledger, the operator merely "enters" the old balance plus the incoming data on the keyboard of the accounting machine. She also enters a proof

American International Opens Fully Automated Aluminum Extrusion Plant

San Jose, Calif.—A fully automated aluminum extrusion plant has been put on stream here by the American International Aluminum Corp. of Miami.

The 50,000 sq. ft. plant will extrude aluminum components for manufacturers of residential and commercial construction products, truck trailer bodies, and electrical and electronic equipment.

All materials are routed through the automated factory by overhead cranes running on a monorail and by conveyor. The AIA facility will extrude aluminum on a 2,650-ton Youngstown Foundry & Machinery double entry press. All popular alloys and tempers will be processed to produce components up to 10-in. diameter cross section.

Hercules Motors Sets Up Division For Custom Work

Canton, Ohio—Hercules Motors Corp. is entering the automotive supply field with the formation of a new division that will manufacture engine and other components for auto companies.

The new division, complementing Hercules' activities as a major producer of industrial and truck engines, is a first step toward product diversification, according to P. O. Peterson, Hercules president.

Types of Contracts

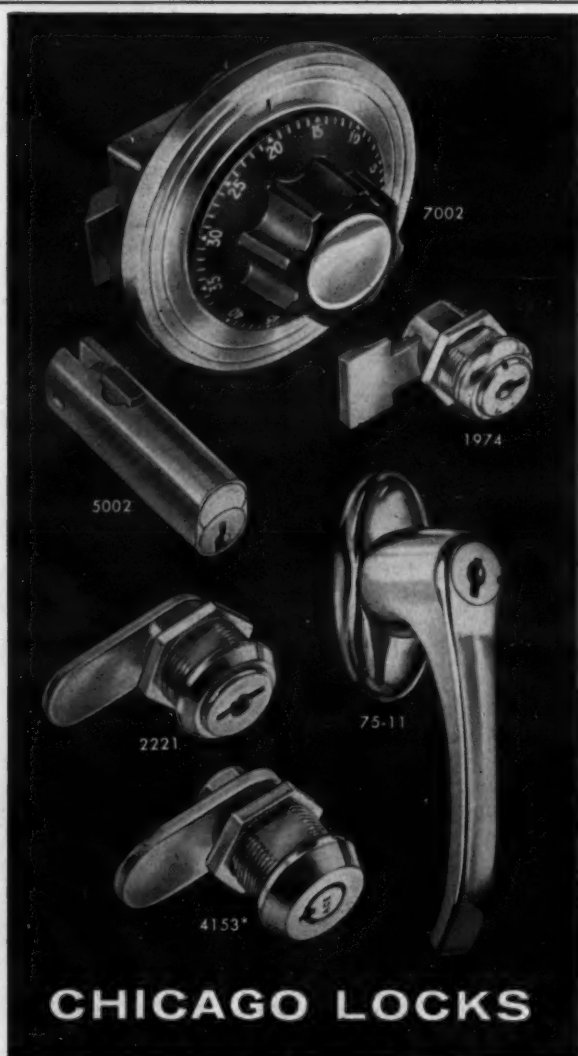
Initially, said Peterson, the new division will go out for contracts on such engine components as cylinder heads, engine blocks, connecting rods, crankshafts, and flywheels. It is also set up to produce other automotive components, such as transmission housings, clutch housings, and special miscellaneous screw machine parts.

"We are providing a large amount of factory space and equipment for the activities of this division," Peterson said. "Quantity manufacturing will start immediately on a contract for several hundred thousand dollars for one of the major automotive companies. Negotiations with other manufacturers on similar contracts, some considerably larger in size, are in progress."

Peterson declined to identify the manufacturers.

Heading up the new division will be Joseph G. Rongitsch, who was material controller and director of supply and inventory before his recent promotion to presidential assistant.

"We intend to go all out to get additional business in this field, and are firmly committed to long term operation," he said.



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Here are a few of the many precision-made Chicago Locks available. They're engineered for maximum security—made of carefully selected and tested metals. And they emphasize attractive design and compactness.

Whatever your needs, you're sure to find a Chicago Lock that's perfect for your purpose . . . and priced right, too.

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How purchasing men can improve their company's profits

In this professional Handbook, over 220 experts on purchasing show you . . . how to get the right commodity at the right price and have it delivered to the right place at the right time.

PURCHASING HANDBOOK

By George W. Alljan Editor-in-Chief

A wealth of facts, principles, methods, and data in the 28 big sections of this Handbook covers the organization and management of the purchasing department and the entire purchasing routine. It helps you rate vendors, buy economically, control inventory, prepare contracts and forms, reduce costs, sell scrap and salvage materials, and perform the variety of duties that are the responsibility of today's purchasing departments. Prepared by a staff of over 220 specialists. 1288 pp., 8 x 9, 201 illus., \$15.00.

HOW AND WHERE TO LOOK IT UP

A Guide to Standard Sources Of Information

This easy-to-use, all-inclusive guide lists over 3,900 reference sources, annotated and indexed in 10,000 analytical subject references. Saves you time, energy, and money—shows you where to find the information you need, how to get it, how to evaluate and use it.

Here are sources for mailing lists, for information on credit ratings, affiliations, and economic analysis. The book also tells how to get information from government departments, services, and publications. By Robert W. Murphey. 736 pp., \$15.00.

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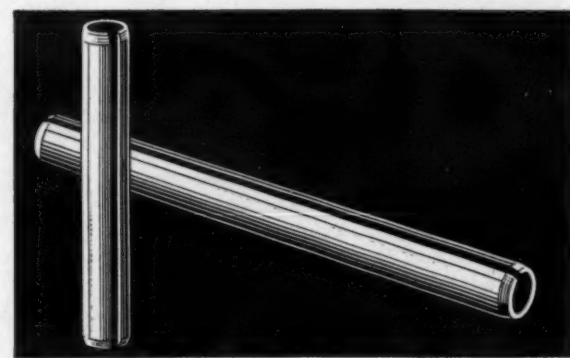
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Corrosion-resistant and versatile . . . SEL-LOK spring pins of stainless steel

- Higher tensile and shear strength
- Complete range of sizes—1/4 x 3/8 through 3/4 x 4 in.—available immediately
- Fast, economical fastening—just drill and drive
- Eliminate costly tapping, reaming, peening, milling
- Lock securely; can be used repeatedly

SEL-LOK spring pins are also stocked in carbon steel (same sizes as stainless) and in beryllium copper in a complete range of sizes from 1/16 x 3/16 through 3/4 x 3 1/2 in. See your authorized distributor or write us for Bulletin 2331 and samples.

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JENKINTOWN 48, PENNSYLVANIA

Profitable Reading for P.A.'s . . .

New Books

How To Be A More Creative Executive, by Joseph G. Mason. Published by McGraw-Hill Publishing Co., 330 West 42nd St., New York 36, N. Y., 281 pages. Price: \$5.95.

This guide to business leadership shows executives how to apply creative principles in solving management problems.

The author discusses various techniques for selling ideas, encouraging others to use their imagination in dealing with problems, and increasing the productivity of creative workers. Various group techniques are compared and suggestions offered for combining them to solve your company's specific problems.

Principles of Business Organization and Operation, by William R. Spreigel. Published by Prentice Hall, Inc., Englewood Cliffs, N. J., 592 pages. Price: \$10.60.

This book discusses every aspect of general management situations for all types of businesses. A special section deals exclusively with the purchasing field and discusses organization of the purchasing department, procedures in purchasing, sources of supply and more. Other important topics covered include the relationship of managerial and administrative functions, coordination, delegation, marketing, the business cycle, and methods of business forecasting.

Aids to Purchasing

British Instruments Sources

This comprehensive and up-to-date handbook contains the sources of supply for all British scientific and industrial instruments and their component parts plus the names and addresses of

their U. S. representatives. Subjects covered include: allied associations of the instrument industry, foreign glossaries of industrial instruments (French, German, and Spanish), reference sheets describing the industrial equipment, etc. The price of this 330-page buyers' guide is \$12.50. Copies can be obtained from *W. S. Heinman, Imported Books*, 400 East 72nd St., New York 21, N. Y.

From the Manufacturers

Presses

Describes company's line of mechanical and hydraulic presses, press brakes, hydraulic shears, and special machinery. Presents basic specifications—dimensions, capacity, shut height, etc. Catalog 6-60 (24 pages). *Verson Allsteel Press Co.*, 9300 S. Kenwood Ave., Chicago 19, Ill.

Rotary Files

Presents company's new line of horizontal rotary files and rotary-file desks to facilitate and organize different types of clerical duties. Discusses data processing, card indexing, filing correspondence, etc. *Warsell Organization, Inc.*, Westport, Conn.

Portable Air Tools

Describes company's line of portable air tools for screwdriving and nutsetting (from 2 in. lb. to 160 in. lb. torque ranges). Discusses three determining factors for proper tool selection—basic motor size and speed, proper clutch, and style of handle, and indicates the best driving bit for each specific fastener. Catalog N. S. 60 (25 pages). *Master Power Corp.*, 6225 Cochran Road, Solon 39, Ohio.

Polyethylene Bulk Handling

Discusses advantages of bulk purchasing and handling of polyethylene resins. Compares two most commonly used methods of polyethylene bulk purchasing—Dry-Flo railroad car and the Sealdbin rubber container. (24 pages). *Tech. Literature Dept., U. S. Industrial Chemicals Co.*, 99 Park Ave., New York.

Materials Handling

Discusses pros and cons of both pallet and palletless handling methods to suit individual job requirements. Also contains information on other available booklets useful in selecting the correct truck for specific purposes. *Automatic Transportation Co.*, 149 W. 87th St., Chicago.

Decals

Covers eleven basic materials ranging from plastic through aluminum, giving physical properties, identification uses, instruction and advertising applications, etc. Also includes samples of each Allied product described. *Allied Decals, Inc.*, 20700 Miles Ave., Cleveland 28, Ohio.

Industrial Tools

Gives information on high-speed steel end mills, keyseat cutters, combined drills and countersinks, reamers and counterbores (51 types, 794 sizes). Catalog No. 4 (32 pages). *Fastcut Tool Co.*, 25425 Mounds Road, Warren, Mich.

Filing Units

Describes company's tabulating card and magnetic tape filing units plus the latest mechanized and insulated files. Catalog LBV 814 (11 pages). *Remington Rand Div., Sperry Rand Corp.*, 315 Park Ave. South, New York.

Graphite Cloth

Enumerates qualities of graphite cloth and its relation to industrial applications. Includes information on filament diameter, weave, count, gage, melting point, electrical resistance, tensile strength, etc. for three standard grades of graphite cloth. Bulletin 101 (4 pages). *National Carbon Co.*, 270 Park Ave., New York 17, N. Y.

Timing Belt Drives

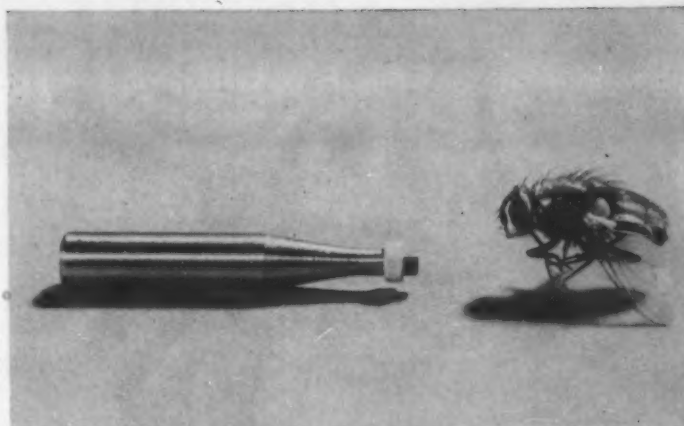
Outlines five steps to follow in the selection of timing belt drives for any application. Bulletin 21103 (8 pages). *T. B. Wood's Sons Co.*, Chambersburg, Pa.

Business Forms

Contains illustrations and descriptions of company's various business forms, systems and correlated equipment. Contains samples and prices for each item. (26 pages). *Carteret Printing Co., Inc.*, 480 Canal St., New York 13, N. Y.

Automatic Presses

Discusses high-production automatic presses ranging from 5 tons to 200 tons. Features include press feeds, frame construction, the expanded bed, air clutch and spring applied brakes, etc. (7 pages). *Havir Mfg. Co.*, 444 North Cleveland, St. Paul 4, Minn.



FLY EYES GRINDING WHEEL: Wheel, billed as smallest ever made commercially, is manufactured by Bay State Abrasive Products Co., Westboro, Mass. It is used in production of ball bearings, tape recorders, missile components and other micro-miniature mechanisms and is said to be 75% cheaper than combination wheel and shaft that it replaces.

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Chemicals Division

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THE SOUTHLAND

with the

MIDWEST and the EAST

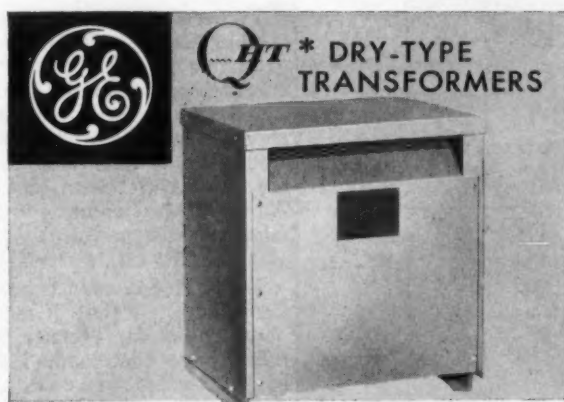
Mason and Dixon Now Managing Silver Fleet

The dependable motor transportation service of The Mason and Dixon Lines is now extended into the Midwest, linking this great area to the South—as Mason and Dixon has joined the North and South for the past 28 years.



OPERATING ROUTES:

— The Mason and Dixon Lines
- - Silver Fleet Motor Express



Complete Line of Dry-type Transformers

Quiet High-Temperature units are designed for general light and power service, 600 volts and below. They are available in standard ratings of 1/2 to 500 kva, single- and three-phase, including buck-boost and autotransformers. These transformers have silicone impregnated insulation and low sound levels for industrial and commercial building applications.

*Reg. trademark of General Electric Co.

FREE BULLETIN

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For more information, request publication GEC-1047, General Electric Company, Section 413-01, Schenectady 5, New York.



METROPOLITAN PURCHASERS CLUB's new officers include (l-r): James DeMouth, Vanadium Corp., New York, secretary; Edward F. Masia, International Div., Carrier Corp., New York, treasurer; Hannah McLean, Hanson Van Winkle Munning Co., Matawan, N. J., vice president; Frank Graham, L. O. Koven & Brother, Inc., Dover, N. J., president; and Walter Sobotta, International Nickel Co., New York, chairman of executive board.

This Changing Purchasing Profession...

Joseph A. Ullman, who for the past 14 years has been head of production, purchases, and plant management for **Korfund Co., Inc.** Long Island City, N. Y., has been appointed manager of production and purchases for its subsidiary, **Korfund Co. (Canada) Ltd.**, Montreal.

N. C. Campbell, former purchasing agent, has been named director of merchandising for **American Saw & Tool Co.**, Louisville, Ky., and its subsidiaries. Campbell has been with the company nine years, first as

purchasing agent and then as division sales manager.

Glenn A. Wilson has been appointed director of purchases and special projects for **Firth Sterling Inc.** He joined the firm 10 years ago and has served in a number of management posts. Wilson continues as vice president and general manager of Strategic Metals Corp. and as vice president and director of Borolite Corp.—both are subsidiaries of Firth Sterling.

Donald E. Graham, who joined **Smith Tool Co.**, as purchasing agent in 1952, was made president of the Los Angeles firm. Prior to his promotion he had been executive vice president for the firm.

Eric L. MacEwan, purchasing agent for **Norvell Wilder Supply Co.**, Beaumont, Tex., has been advanced to manager of inventory for all of the firm's 10 warehouse stocks. His duties as purchasing agent will be divided between **E. M. Robinson** and **S. E. Hilder**, assistant purchasing agents, under the supervision of the vice president. MacEwan served as president of the Sabine-Neches Purchasing Agents Association in 1957-58.



E. L. MacEWAN



D. A. BANCEL

David A. Bancel was advanced to vice president in charge of purchasing, **Cerro de Pasco Sales Corp.**, New York, a subsidiary of Cerro de Pasco Corp. Bancel served as purchasing agent for the parent company from 1953 until 1957 when he took over a similar position with the sales company on its formation.

Frederick W. Klein has joined **Aerojet-General Corp.**, Azusa, Calif., as manager of the **Procurement and Material Division**. He has been assistant plant manager at Rohr Aircraft Corp., Riverside, Calif., and prior to this served 18 years with the U. S. Air Force procurement and administration department.

David H. Shearer has been assigned the new post of manager of purchases for **Premier Industrial Corp.**, Cleveland. He will be responsible for coordinating an expanded purchasing program for the firm's plants.

Obituaries

Leo W. Bowker, 73, former assistant purchasing agent for **St. Regis Paper Co.** in Deferiet, N. Y., and later in New York City, died Aug. 10. He was associated with the firm 36 years before retiring seven years ago.

Lee F. Ravey, assistant director of purchases for **National Supply Co.**, Pittsburgh died Aug. 20. He was 62.



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Hydrite Chemical Company typifies the helpful service given by distributors of Mathieson and Blockson chemicals. If you need this kind of service, please write for the name of a distributor in your area.

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Sulfuric Acid • Urea • Ethylene Oxide • Ethylene Glycols • Polyethylene Glycols • Ethanolamines • Glycol Ethers • Surfactants • Ethylene Dichloride
Trisodium Phosphate • Trisodium Phosphate Chlorinated • Sodium Tripolyphosphate • Tetrasodium Pyrophosphate • Sodium Hexametaphosphate
Monosodium Phosphate • Disodium Phosphate • Sodium Acid Pyrophosphate • Tetrapotassium Pyrophosphate • Sulfuric Acid • Hydrofluoric Acid
Sodium Silicofluoride • Sodium Fluoride • Teax® 120 Surfactant



Pilot plant for electro-polishing and plating solutions. Modern, well-staffed laboratories handle a wide variety of customer problems.



Key to customer service is traffic manager Joseph Kump who sees that every order gets same-day shipment.

Meetings You May Want to Attend

First Listing

National Electrical Contractors Association—1960 Annual Convention, Las Vegas Convention Center, Las Vegas, Nev., Oct. 23-27.

Office Buyers Conference—NAPA Office Buyers Group, The University Club, Boston, Mass., Nov. 16-17.

Previously Listed

SEPTEMBER

Machine Tool Exposition—National Machine Tool Builders Association, International Amphitheatre, Chicago, Sept. 6-16.

Production Engineering Show—Navy Pier, Chicago, Sept. 6-16.

2nd Coliseum Machinery Show—Chicago Coliseum, Chicago, Sept. 7-15.

International Aviation & Air Industries Exposition—Waldorf-Astoria Hotel, New York, Sept. 8-20.

Produce Packaging Exposition—Americana Hotel, Miami Beach, Fla., Sept. 11-14.

American Chemical Society, National Meeting—Statler Hilton Hotel, New York, Sept. 11-16.

Tennessee Valley Agricultural & Industrial Fair—Chilhowee Park, Knoxville, Tenn., Sept. 12-17.

Chemical Exposition, USA, 1960—Statler-Hilton Hotel, New York, Sept. 13-15.

Second Annual Maintenance & Engineering Show—State Fair Arena, Raleigh, N. C., Sept. 14-17.

Institute of Surplus Dealers—14th Trade Show Building, New York, Sept. 18-20.

Steel Founders Society of America—Fall meeting, The Homestead, Hot Springs, Va., Sept. 18-20.

Office Equipment & Machines Conference & Exhibit—Life Office Management Association, Royal York Hotel, Toronto, Sept. 26-28.

Instrument-Automation Conference & Exhibit—Instrument Society of America, Coliseum, New York, Sept. 26-30.

Material Handling Show—Show Mart, Montreal, Que., Can., Sept. 26-30.

Iron & Steel Exposition—Auditorium, Cleveland, Sept. 27-30.

District 2 Conference, NAPA—Hilton-Del Norte & Cortez Hotels, El Paso, Tex., Sept. 28-30.

OCTOBER

American Textile Machinery Exposition—Textile Hall, Greenville, S. C., Oct. 3-7.

Fourth Annual Procurement Conference—sponsored by the Dayton Association of Purchasing Agents, Patterson Memorial Center, Dayton, Ohio, Oct. 7-8.

District 7 Conference NAPA—Peabody Hotel, Memphis, Tenn., Oct. 9-11.

National Hardware Show—Coliseum, New York, Oct. 10-14.

Purchasing Agents Association of Central Iowa—Products Show, Veterans Memorial Auditorium, Des Moines, Iowa, Oct. 12-13.

1960 Products Show—Veterans Memorial Auditorium, Des Moines, Iowa, Oct. 12-13.

District 5 Conference NAPA—Mayflower Hotel, Washington, D. C., Oct. 14-15.

National Association of Oil Equipment Jobbers—Annual Meeting & Trade Show, Sheraton Jefferson Hotel, St. Louis, Mo., Oct. 16-18.

National Metal Exposition and Congress—Trade and Convention Center, Philadelphia, Oct. 17-21.

8th District Conference NAPA—Sheraton-Ten Eyck Hotel, Albany, N. Y., Oct. 18-21.

National Institute of Governmental Purchasing—15th Annual Conference and Products Exhibit, Hotel Shoreham, Washington, D. C., Oct. 23-26.

National Business Show—Coliseum, New York, Oct. 24-28.

11th National Conference on Standards—American Standards Association, Sheraton-Atlantic Hotel, New York, Oct. 25-27.

NOVEMBER

National Business Equipment Exposition—Memorial Sports Arena, Los Angeles, Nov. 1-4.

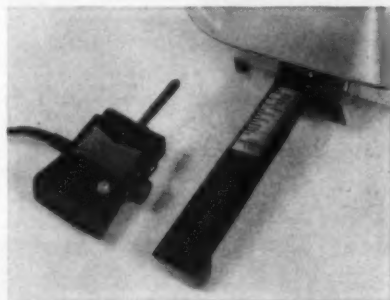
12th Annual Serv-A-Show & Industrial Exhibit—Toledo Civic Auditorium, Toledo, Ohio, Nov. 2-4.

Air Conditioning & Refrigeration Institute Exposition—Convention Hall, Atlantic City, Nov. 2-5.

List Your Meetings

Associations, societies, and committees interested in calling the attention of readers of Purchasing Week to their meetings are welcome to use this column. The gathering should be one of interest to purchasing agents. There is no charge.

Send announcements to: Meetings Calendar, Purchasing Week, 330 West 42nd Street, New York 36, N. Y.



Purchase for Profit!

Specify Chicago Molded

Unlike ordinary utensil handles, the handle for this new Toastmaster Fry Pan is molded in one piece. No cracks, crevices or screw holes for food to lodge in. Simple, speedy assembly, too. Both the handle and the removable automatic heat control are molded of Bakelite phenolic material designed for strength, maximum heat resistance and insulation. Its lustrous finish is readily washable and is unaffected by chemicals, acids and food stains. Here's another example of smart buying—which is to say, specify

CHICAGO MOLDED PRODUCTS CORPORATION
1020-J North Kolmar, Chicago 51, Ill.

ALLEN

The cost of ALLEN Hex-Socket Cap Screws is only a minor fraction of your assembly costs... be sure you're getting the timesaving, cost-saving advantages of genuine Allens!

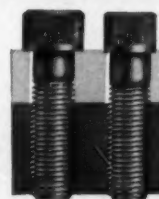
Ever since Allen first produced the hex socket head screw nearly fifty years ago, specifying *genuine Allens* (made by Allen of Hartford) has been a sure way to guarantee dependable threaded fastening.

Only *genuine Allens* have Leader Points that make starting easier, and greatly minimize danger of cross threading. *Genuine Allens* are "pressur-formd" to preserve the long fibers uncut throughout the length of the screw, giving stronger sockets for greater tightening torque.

Write for samples and engineering data. See how *genuine Allens* will make your product better.



Allen's new 1960 Series Socket Head Cap Screws give up to 2 1/4 times more load carrying capacity, without indentation.



Head diameter of sizes from 1/4" up is now uniformly 1 1/2 times the body diameter—providing more under-the-head bearing surface, and a proportionate increase in clamping force. Write for new Bulletin G-25, with full specifications.

Stocked and sold by leading Industrial Distributors everywhere



ALLEN MANUFACTURING COMPANY
HARTFORD 1, CONNECTICUT, U.S.A.

Specify...
...end your delivery problems!

Why? Because D-C takes the entire responsibility for delivering your order for parts, materials, or merchandise on time and in good condition. Only D-C can offer one-carrier responsibility coast-to-coast because only D-C goes direct coast-to-coast! One-carrier handling...one-carrier control...non-stop, straight-through service all the way on D-C equipment...cuts 20% off running time...assures you on-time delivery every time!

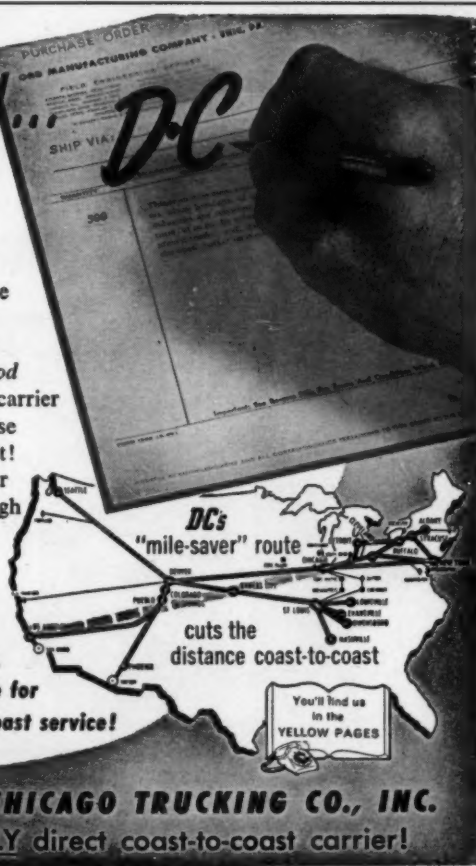
Specify the Dependable Carrier...

D-C...coast-to-coast choice for

coast-to-coast service!



DENVER CHICAGO TRUCKING CO., INC.
the **ONLY** direct coast-to-coast carrier!



Port Labor Unrest Shifts From West to East

New York—With West Coast port operations now returning to normal after a 13-day dock strike, attention reverts eastward to possible labor trouble at the Port of New York.

A current dispute over terms of a new working agreement involving harbor workers and railroads operating in the port appears to be heading for a showdown.

A federal mediator last week asked both factions—the New York Harbor Rail Council representing some 2,500 workers in four local unions, and 11 port rail lines—to submit their differences to binding arbitration.

The row dates back to Nov. 1 of last year when the former contract covering the workers expired. Both sides have been unable to agree on wages, vacations, health and welfare, and work rules for a new contract.

Georgia Dedicates Pier As Keystone in Campaign To Attract More Industry

Brunswick, Ga.—Gov. Ernest Vandiver has launched a drive to attract new industry and commerce to Georgia.

Speaking at the dedication ceremonies for the state's new \$2-million pier, he announced plans to call a three-day conference on trade and commerce next spring, designed to promote Georgia's economic development. The new state dock is expected to be part of a major push to develop commerce between Georgia and other ports in the U.S. and abroad, he said.

Conference chairman is Southern Bell President Ben Gilmer, who said 22 groups active in Georgia's economic life will participate in the meeting.

Gilmer noted that one of the purposes of the meeting will be to inform and stimulate the use of Georgia ports by businessmen from all parts of the nation.

In addition, he said, "We are anxious for Georgia businessmen to establish markets overseas for their products. We are convinced that more of them have not done so simply because they do not know the opportunities."

Robert C. Norman, chairman of the Georgia State Port Authority noted at the dedication ceremonies that the port group "will exert every effort in the solicitation of new and increasing business for this facility."

"We will work constantly to assure users of this facility that they will always receive prompt, courteous, fair and complete service," the port chairman said.

'Super-Van' Trains Roll

Boston—The New York Central Railroad started a super-van freight service between Boston, Worcester, Springfield, and Chicago last week which it said will be "the fastest freight schedule ever offered between those cities."

The schedule calls for super-van trains to leave here at 8:30 p.m. and arrive in Chicago before midnight the following day. East-bound service calls for a Chicago departure time of 11:00 p.m. for arrival here shortly after midnight the following day.

The mediator was called in last May when the harbor workers threatened to strike. Now, after months of fruitless effort to break the deadlock, the union council has notified the Railway Mediation Board that it is again taking steps to set a new strike date.

The mediator has requested both sides to submit to arbitration in an attempt to avert the walkout which could cripple freight movement and possibly shut down the port.

The unions involved are Local

33 of the Marine Engineers Beneficial Assn., Locals 1 and 3 of the Masters, Mates, and Pilots, and the Rail Marine Division of the Seafarers International Union.

The railroads, represented by the New York Harbor Carrier Conference Committee, include the New York, New Haven, and Hartford; the New Jersey Central; Pennsylvania; Lehigh Valley; Erie; Reading; Baltimore & Ohio; New York Central; New York Dock, and Bush Terminal.

Railway Express Signs Cargo Pacts With Seven More Domestic Airlines

New York—Railway Express Agency has concluded new agreements with seven U.S. airlines for handling coordinated air-freight-surface express shipments to and from non-airport points.

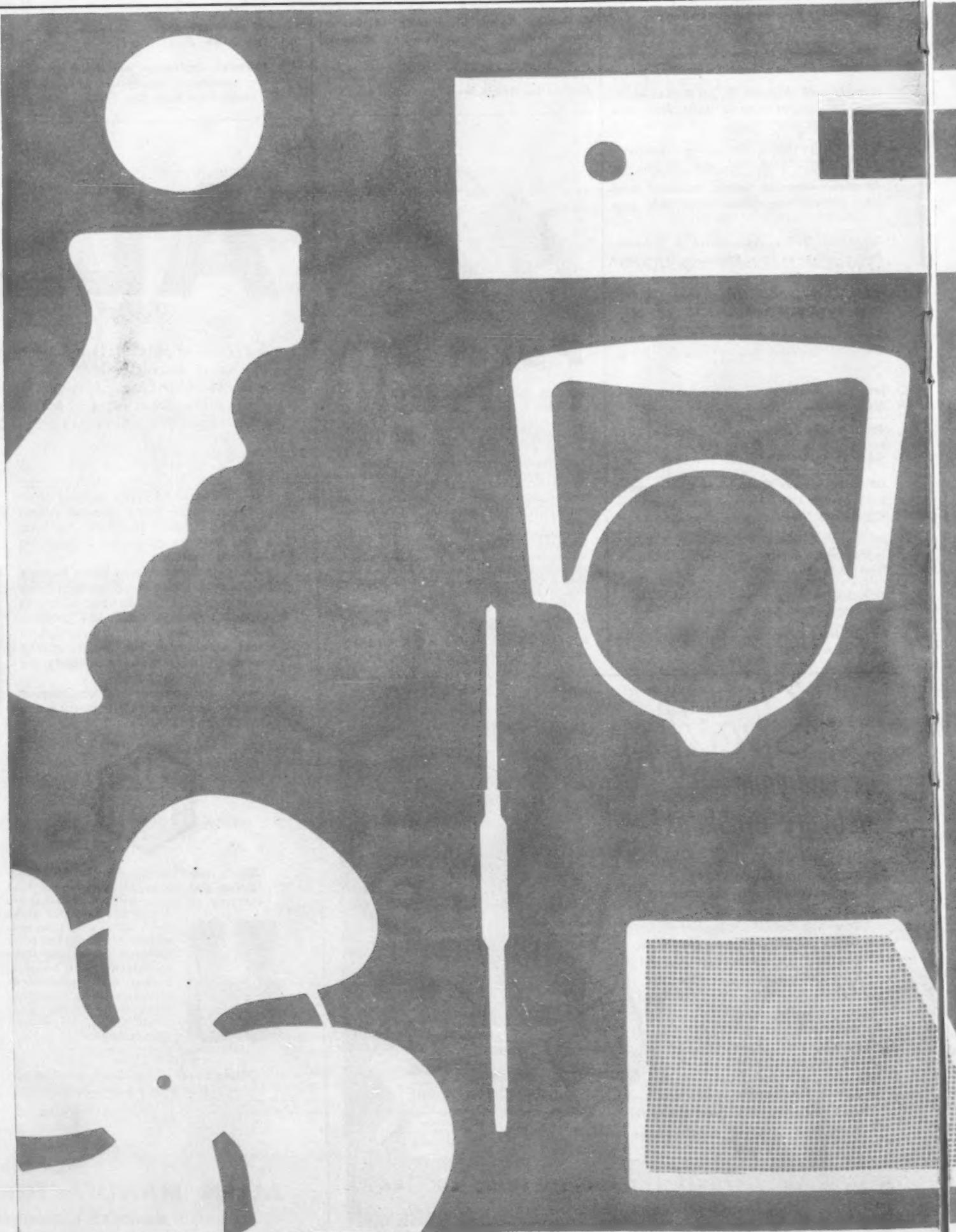
The cargo pacts, already in effect, provide for a single receipt to shippers covering movements by air-freight and surface express.

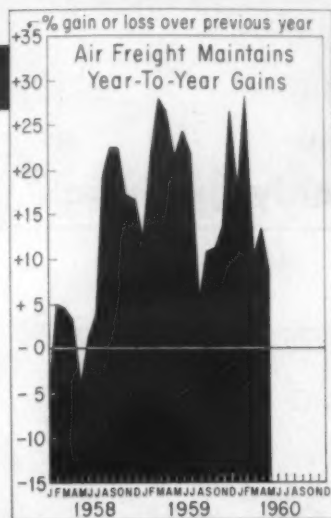
The agreements join REA with Delta Airlines, Inc.; The Flying Tiger Line; Mackay Air-

lines, Inc.; National Airlines; Northeast Airlines; Pacific Airlines, and Riddle Airlines.

An REA spokesman said shipments may originate as air freight and be delivered to final destination as surface express, or in reverse order.

Identical agreements between Railway Express and two other airlines—United and TWA—were filed earlier this year, making a total of nine U.S. air carriers now participating.





P/W TRANSPORTATION MEMOS

STANDARDS SPELL PROGRESS: One more example of how closely standardization is tied to industrial progress is coming rapidly into focus in the field of transportation—the development of container standards.

Three separate committees, a special American Standards Assn. container committee, a Maritime Administration committee on container dimensions, and a National Defense Transportation Assn. standards committee, have hit upon similar dimensional standard proposals which are already being put into effect—with final approval expected to be a mere formality.

One impressive result of these achievements was the recent inauguration by U.S. Freight Co., the nation's biggest freight forwarder, of the first flat rate, intercontinental container service between New York, Chicago, Los Angeles, and Yokohama.

This service, which is expected to be duplicated by other forwarders and transport companies, will permit shippers to send containerized goods directly from their own plants or warehouses to any point in Japan, and eventually Europe, on one bill of lading at one all-inclusive rate.

Numerous transport executives agree with U.S. Freight president, Morris Forgash, that this progress could not have been achieved without the development of container standards.

MORE TRUCK-RAIL FISTICUFFS: Truckers are vehemently protesting the stepped-up rail maneuver to offer more incentive rates on "carload" shipments in an attempt to win back lost traffic. Truckers claim some of these "carload" minimums barely exceed "truckload" volume.

Truckers were especially aroused recently by a rail move in this direction affecting carload shipments between most of the Northeast and the South, including Florida.

While railroads had been offering incentives on carload minimums ranging between 50,000 and 70,000 lb., they shocked Eastern and Southern motor carriers by offering the same deals on items loaded in excess of 22,000 lb. Truckers are demanding an ICC investigation into this matter.

MORE TRUCK RATE HIKES: California authorities have authorized increases in truck rates as high as 10% in certain parts of the state, to offset recent wage increase in the industry. New rates are effective Sept. 12. The 10% boost affects only Northern counties. The rest of the state will see a 3% rate boost.

At the same time, motor carriers operating in the New York-Philadelphia area are seeking a 5% rate hike on all commodity shipments, effective Sept. 16. The increase would apply to the Middle Atlantic Conference but not those publishing independent tariffs.

EXPANDED AIR FREIGHT: United Air Lines has added an overnight flight from San Francisco to New York via O'Hare Airport, Chicago. The DC-7 cargo liner will leave San Francisco at 8:10 p.m. Mondays through Thursdays and arrive in New York International Airport at 9:20 a.m.

This brings the total United all-cargo flights to New York to 15 weekly. United has also started DC-6A cargo liner service from the Pacific Northwest to San Francisco.

RAIL EXPANSION: The ICC has granted authority to the Louisville & Nashville Railroad for a new line that Kentucky authorities say will add tremendous business potential to six Kentucky counties.

The commission ruling granted the L & N permission to build a \$2.7-million line between Polk and McMinn counties in Tennessee. This would connect Patty and Calhoun, Tenn., opening a route from eastern Kentucky counties to the Bowaters Southern Paper Corp. at Calhoun.

WHISTLESTOPS: The ICC has suspended proposed freight forwarder tariffs indicating increases in minimum charges on transcontinental shipments to 125 lb. at the applicable rate. The increases would have amounted to 25% over present minimum charges.

What 3 things do these parts have in common?

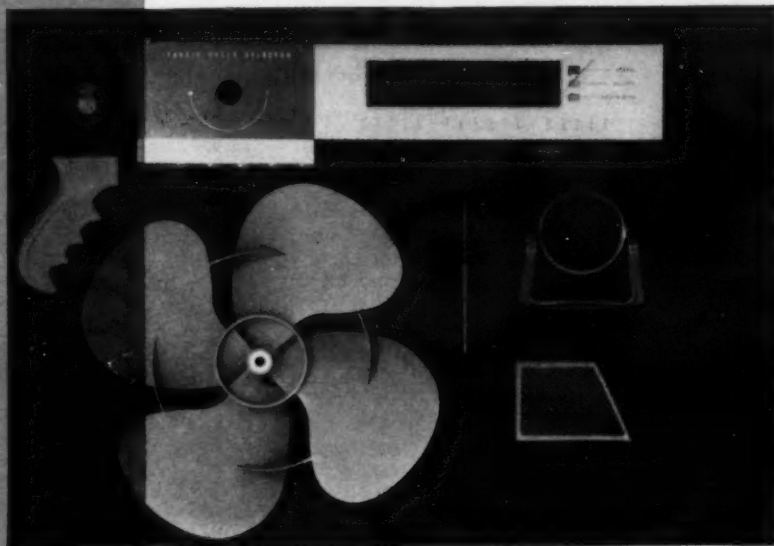
They perform better. Yet they cost less. And they are all molded of plastics.

The exhaust fan blades have a molded-in metal bearing, and are unaffected by corrosive fumes. The washing machine filter not only costs less to make, it also licked a rust problem. The one-piece phonograph spindle cap simplified a complicated assembly, while maintaining tolerances of $\pm .003$ and $-.000$.

The jewelers' screw driver, the pistol grip tool handle, the dryer control panel, and the milk bottle handle are all low cost product improvements, made possible by the ever-widening choice of plastics materials and the growing efficiencies of custom molders.

Think of the custom molder of plastics as the "manufacturer's manufacturer." His engineering staff measures the product for plastics. His tool-makers build the master molds to close tolerances. His manufacturing facilities produce the most complex parts with consistent quality, at rates to meet the tightest schedules and budgets.

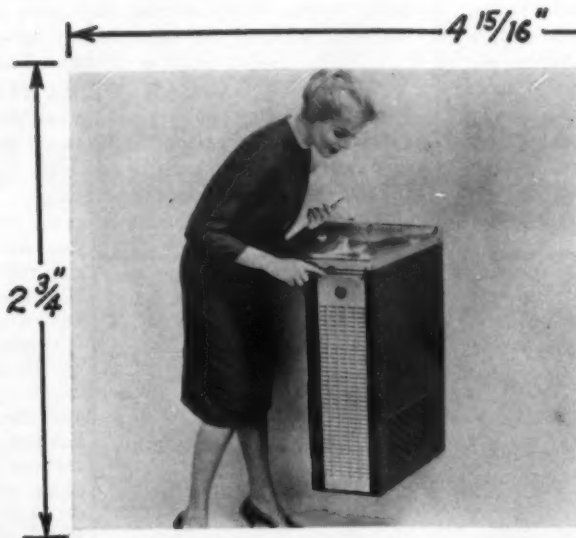
Monsanto, supplier of plastics molding compounds to leading custom molders, has prepared a special report on "How To Buy Custom Molded Plastics." Write for your free copy to Monsanto Chemical Company, Plastics Division, Room 710, Springfield 2, Mass.



MONSANTO PACE-SETTER IN PLASTICS



*Picture
aids
product
recognition*



Water Cooler

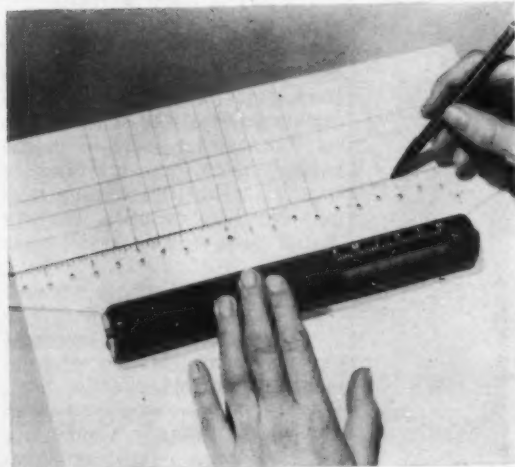
Mounts Flush to Wall

Water cooler with completely enclosed plumbing mounts flush to wall, at any height. Design allows drinking from sides or front. Features include removable drain strainer and basin designed for minimum splash.

Price: \$269.95 to \$289.95. Delivery: immediate (after Oct. 1).

General Electric Co., Marketing Services, Commercial Equipment Dept., 14th and Arnold Sts., Chicago Heights, Ill. (PW, 9/5/60)

*Size permits you to paste on 3x5 card
Copy gives only pertinent details, cuts your reading
How much it costs and how soon you can get it
You'll know when item appeared*



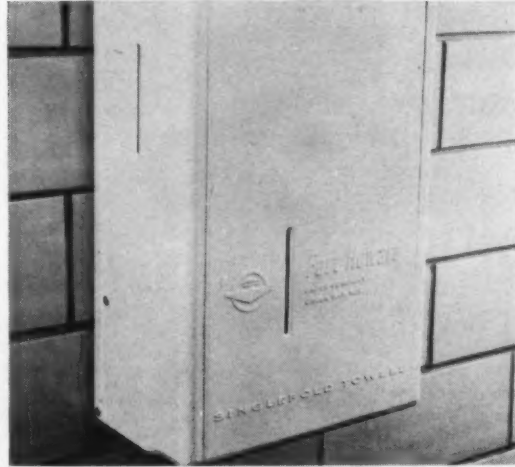
Drawing Ruler

Has Index Window

Plastic drawing ruler, triangle, and T-square has built-in rollers for smooth movement and a spiral index window for distance indication. The device can make circles and arcs in diameters up to 22 in. The 12 in. rule easily fits into a briefcase.

Price: \$3.95. Delivery: immediate.

Rol-Ruler Co., Riegelsville, Pa. (PW, 9/5/60)



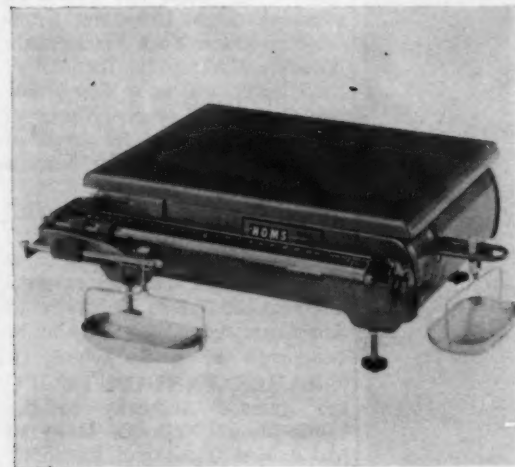
Towel Cabinet

Has Big Capacity

Towel cabinet holds approximately 1,300 single-fold paper towels. A new interior design yields the high capacity, which is said to reduce the amount of maintenance and service work required to keep towels available in high-traffic washrooms.

Price: \$6.50. Delivery: immediate.

Fort Howard Paper Co., 1919 S. Broadway, Green Bay, Wis. (PW, 5/9/60)



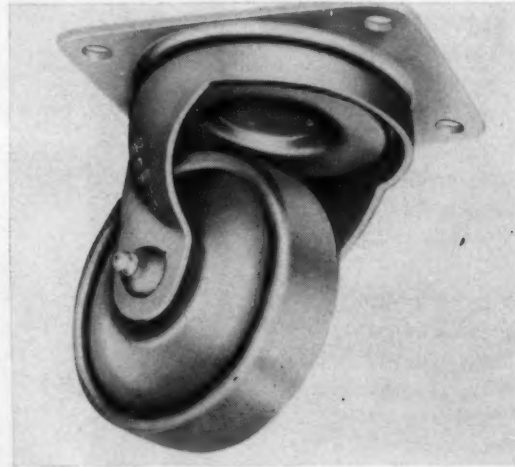
Scale

Simplifies Counting

Scale simplifies counting of piece work, stock parts, or items for packaging. One model has a counting and weighing capacity of 51 lb., in 1/4 oz. graduations, while another has a capacity of 105 lb., in 1 oz. graduations. The unit has all-steel construction.

Price: \$165 (51 lb.) and \$170 (105 lb.). Delivery: immediate.

Douglas Homs Co., 1314 Rollins Rd., Burlingame, Calif. (PW, 9/5/60)



Textile Caster

Gathers No Lint

Textile caster has precision cast semi-steel ball-bearing wheel designed to prevent the accumulation of thread and lint on the wheel axle. The wheel has a smooth, thick tread, with a large edge radius to guard against chipping.

Price: \$6.50. Delivery: immediate.

Fairbanks Co., 393 Lafayette St., New York 3, N. Y. (PW, 9/5/60)



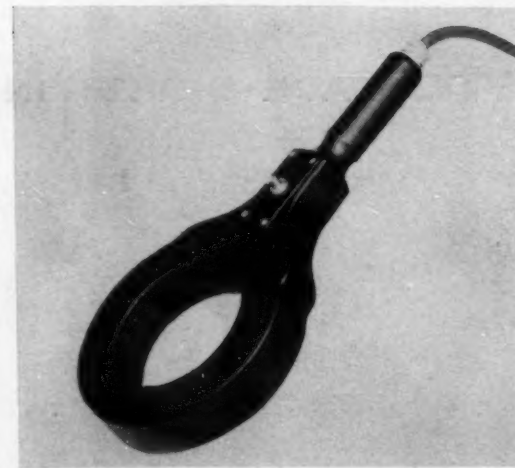
Vacuum Gauge

Reads Directly

Gage uses mechanical diaphragm to measure total pressure of any gas, from atmosphere to 0.2 mm Hg. The device records vacuum pressure directly, without need of electrical connection or manometric liquid. Diaphragm is corrugated copper-beryllium.

Price: \$140. Delivery: immediate.

Consolidated Vacuum Corp., 1775 Mt. Read Blvd., Rochester 3, N. Y. (PW, 9/5/60)



Demagnetizer

Is Portable

Portable demagnetizer demagnetizes twist drills, taps, lead screws, and other small parts. The device comes with plug and 8 ft. cord, and runs on any 110 v. ac line. The demagnetizer has a readily-accessible spring-loaded switch.

Price: \$99. Delivery: immediate.

Bux Magnetic Products, Inc., 1355 N. 10 St., San Jose 12, Calif. (PW, 9/5/60)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



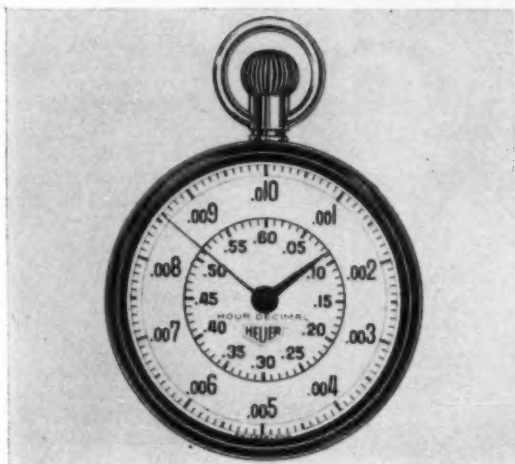
Indicator

Shows Who's In

Noiseless indicator system uses individual in-and-out switches and flashing green and red lamps to show whether personnel are in or out. System also can send simple "yes" or "no" answers. Elements include name register, indicating panel, and low-voltage transformer.

Price: \$110. Delivery: immediate.

Edwards Co., Inc., Norwalk, Conn. (PW, 9/5/60)



Stopwatch

Has 36-Second Cycle

Stopwatch for time study and electrical and electronic research use has thin hand which makes a complete cycle in 36 seconds as a concentric red inner hand registers each revolution. Each unit on the 1 1/4 in. dial represents 1/10,000 part of an hour.

Price: \$28.50. Delivery: immediate.

Heuer Timer Corp., 441 Lexington Ave., New York 17, N. Y. (PW, 9/5/60)



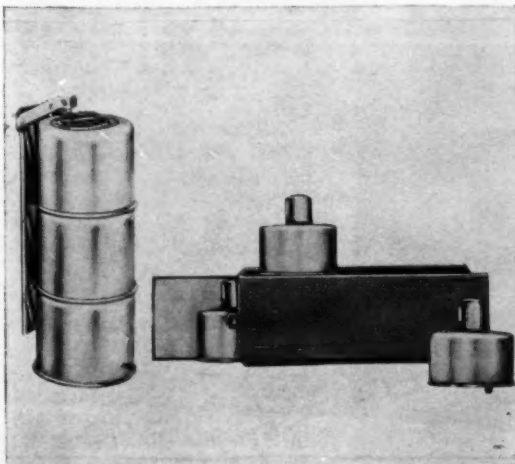
Mop

Has Rubber Blade

Mop has resilient rubber blade attached to anodized aluminum handle with plated spring steel brackets. Replacement blades attach easily without use of tools. Blade widths of 18 in., 24 in., and 30 in. are available. The device is said to resist corrosion.

Price: \$5 to \$6. Delivery: immediate.

Reuter Mfg. Co., 8901 Hubbell Ave., Detroit 28, Mich. (PW, 9/5/60)



Flare Kits

Are Leakproof

Flare kits available in bracketed and boxed models provide flares which withstand 45 mph winds and burn in rain or snow. The kits, of heavy gage steel, are leakproof. The bracketed model has a retractable burner, and the boxed model has a fixed burner.

Price: \$9.75 (bracketed) and \$12.03 (boxed). Delivery: immediate.

R. E. Dietz Co., 225 Wilkinson St., Syracuse 1, N. Y. (PW, 9/5/60)

This Week's

Product Perspective

SEPT. 5-11

• **DIRECT-CURRENT MOTORS**, which were just about counted out some years back, when power companies switched to alternating current, are making a strong comeback bid. Manufacturers of "d-c drives"—motors and the controls to go with them—are happily predicting new sales peaks for 1960.

When the electrical power business started back in Edison's days, the power sent from the generating station was all direct current. The d-c stage was cut short when the utilities found that it was tricky to generate and costly to transmit. The switch to alternating current put the a-c-motor in the driver's seat—and the d-c version (it was thought) into the scrap heap.

• But the d-c motor still claimed one advantage that its a-c counterpart couldn't match—easily variable speed. World War II and the automation era brought big, automatic machines that worked best with adjustable speed drives.

• An adjustable speed d-c drive has two basic parts: the motor and a source of controlled d-c power. There are three distinct types of drives—which are usually classified by the nature of the power supply: tube-type electronic, static (semiconductor rectifier, plus magnetic amplifier control), and the Ward Leonard system. Each type has its own particular area of application as determined by cost, reliability, environment, response, and gain characteristics.

The three types of control systems have divided the market pretty evenly for years. But industry experts see a breakthrough in the making as a result of the highly touted silicon controlled rectifier—which seems to fill the bill as a source of easily adjustable d-c power. All the major makers claim to have experimental controlled rectifier units out on test. Come what may, the Ward Leonard system is assured of continued popularity because of its unique regenerative braking capability and resistance to overload damage.

• General Electric, Westinghouse, and Reliance are the big three of the d-c motor field. GE and Westinghouse didn't have integrated d-c departments until recently—production, design, and marketing facilities were dispersed among independent groups. This lack of integration left the door open for a "specialty" manufacturer to get into the field and Reliance moved into d-c motors early—was in a position to ride the boom when it recently started.

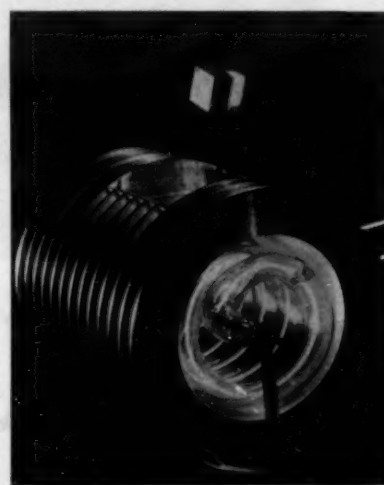
• **VITAL SALES AID** is development of low-inertia d-c servomotors with astounding response characteristics. A 1-hp. model of this type made by Reliance, for example, can be switched from 4,000 rpm forward to 4,000 rpm reverse in about one-quarter of a second. Such characteristics have opened up markets previously restricted to low-inertia, high-power compact hydraulic systems. Makers will widen range of available servomotor hp. ratings within the next year.

• **DIRECT AMPLIFICATION OF LIGHT**—For years scientists have toyed with the idea of finding a way to make a light source brighter without increasing its original power.

Now Hughes Aircraft scientists have accomplished the feat for the first time with a new device called a "laser" (Light Amplification by Stimulated Emission of Radiation). Some scientists prefer to call it an "optical maser" because the term suggests microwave terminology.

• The laser will provide light concentrations and intensities never before attainable. Possible uses include: focusing light into high intensity beams for space communication, industrial, medical and chemical applications where bright light source is needed, and investigating the fundamental properties of matter.

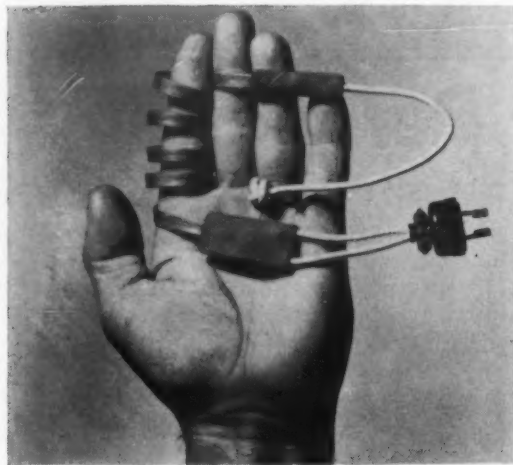
Heart of the laser is a Pencil-thick synthetic ruby crystal which is irradiated by a light source such as a flash-tube lamp used in photography. The optical (light) energy from the flash tube excites the atoms in the crystal to a higher energy rate and this action reradiates light energy out the other end of the crystal—amplified several hundred thousand times.



RUBY GLOWS as light source (below) pours "random waves" of light into the ruby—exciting the gem's tightly packed atoms. Stored energy reradiates light in a sharp beam.

Your Guide to New Products

(Continued from page 25)



Tape

Heats Small Objects

Tape for the heating of small objects in the laboratory uses parallel ribbon heating elements impregnated with weatherproof silicone rubber. The tape provides uniform heating patterns up to 480 F on small objects. The tape is 1/4 in. wide and 1/8 in. thick.

Price: \$9.80 (4 ft. long) to \$14.50 (10 ft. long). Delivery: immediate.

Glas-Col Apparatus Co., 711 Hulman St., Terre Haute, Ind. (PW, 9/5/60)



Sweeper

Has New Design

Sweeper has 5 3/4 hp. engine, large muffler, and a deflection plate which diffuses exhaust gases. Its design features nylon bushings and a heavy wrap-around bumper. Synthetic brushes, available in lengths of 30 in., 36 in., and 48 in., resist chemicals, heat, and cold.

Price: \$765. Delivery: approx. 1 to 2 wk.

Wayne Mfg. Co., 1201 E. Lexington St., Pomona, Calif. (PW, 9/5/60)

Morningstar-Paisley Opens New Plant

Atlanta—Production of industrial adhesives has begun at the Morningstar-Paisley, Inc., plant here.

The plant, which has initial capacity of 12-million lb. of liquid adhesives annually, also will be a warehousing and service center for the company's other products such as textile, food and paper starches, water soluble gums, resins and plastisols.

The Atlanta plant, located on Lake Mirror Drive in the Expressway Industrial Park, will produce adhesives based

on vegetable, animal casein, synthetic resin and latex materials.

Company President Murray Stemple said the plant will have research and technical specialists in all fields where adhesives are used to tackle technical service problems.

Morningstar-Paisley now operates 15 processing plants from coast to coast. The company has been in the adhesive field since its founding in 1851. The adhesives division was formed in 1931 under the name of Paisley Products Inc.



It's super strong!



It's soft on hands... but don't let its luxury touch fool you!

DISCOVER WHY NIBROC IS THE BUY!



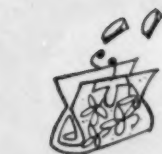
NIBROC can take it!



Drinks up water in seconds!



Never falls apart!



One towel does the job—saves money!

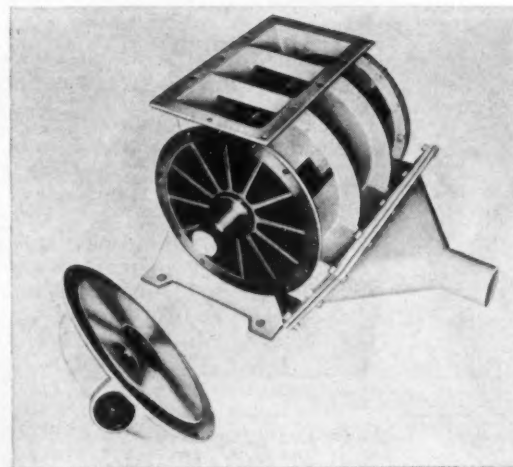


Make everybody happy! Give 'em NIBROC... the most satisfying paper towel you can put your hands on!

Choose from the complete line of NIBROC Quality towels... multi-fold, single fold or C-fold in natural, or the super white embossed line—packed in convenient Zip-Top cartons. Write Dept. PW09, Boston, for samples... or look under "Paper Towels" in Yellow Pages for name of nearest distributor.

Another Quality Product of BROWN COMPANY

General Sales Offices: 150 Causeway Street, Boston 14, Mass.



Feeder

Cuts Bearing Trouble

Feeder is recommended to eliminate bearing trouble in the pneumatic conveying of products. Device features an air inlet on each end to mix air with the product conveyed, and air chambers to sustain a blanket of air between the product and the feeder bearings.

Price: \$1,000 to \$1,500. Delivery: immediate.

Day Co., 810 3 Ave. NE, Minneapolis 13, Minn. (PW, 9/5/60)



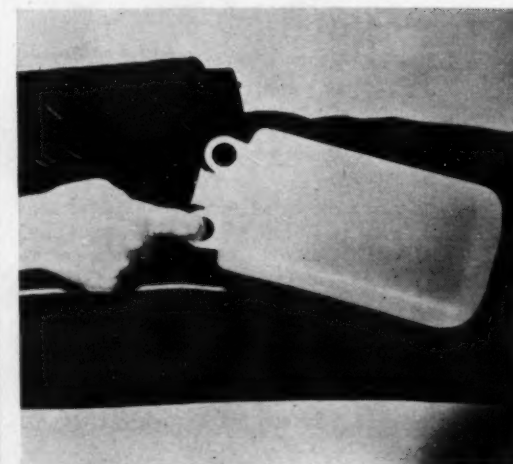
Hand Cleaner

Comes in 100 oz. Can

Hand cleaner rids workers' hands of grease, oil, ink, glue, paint, shellac, carbon, or tar. The heavy-duty cleaner comes in a 100 oz. dispensing can, for which a specially-designed wall bracket is available from the manufacturer.

Price: \$3.25 (can); \$1.50 (Wall bracket). Delivery: immediate.

Schaffner Mfg. Co., Inc., Schaffner Center, Emsworth, Pittsburgh 2, Pa. (PW, 9/5/60)



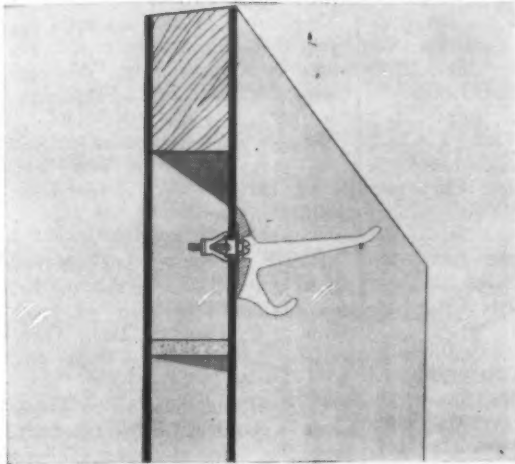
Gallon Jug

Withstands Acid

Lightweight plastic one-gallon jug with double handles withstands corrosive effect of acids and alkalis and resists extremes of heat or cold. The container takes automatic capping, and is recommended to hold a variety of chemicals and industrial supply items.

Price: 39¢. Delivery: immediate.

Hydrocarbon Chemicals, Inc., Plastics Div., Locust St., Keyport, N. J. (PW, 9/5/60)



Screw Anchor

Fastens Fixtures

Screw anchor attaches light or medium weight fixture to thin surfaces—hollow core doors, hollow walls, or room dividers under 1/4 in. thick. Design of device allows the removal or replacement of fixtures while the wall grip remains in place.

Price: \$4 per hundred. Delivery: immediate.

Star Expansion Industries, Mountainville, N. Y. (PW, 9/5/60)

Purchasing Week Definition

Ultrasonics

Ultrasonics is the science of vibrations occurring above the audible range. An ultrasonic wave has a frequency above the hearing range of the normal ear—approx. 20,000 cps.

Here are some common terms:

• **Ultrasonic generator:** A device which produces sound waves of ultrasonic frequency.

• **Ultrasonic detector:** A mechanical, electrical, thermal, or optical device which detects and measures ultrasonic waves.

• **Crystal transducer:** A device which uses the piezoelectric effect to generate ultrasonic waves. In the piezoelectric

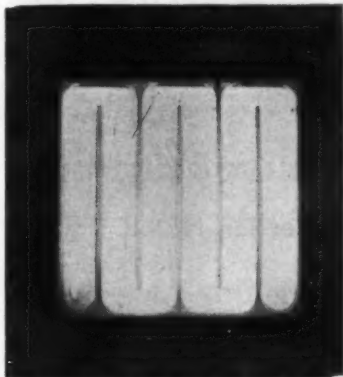
effect, a crystal, under mechanical pressure or tension, develops an electrical charge. The effect appears in many types of crystals, but proves most useful ultrasonically in quartz and Rochelle salt.

• **Magnetostriction:** The magnetostrictive effect permits control of oscillations in a bar of metal to produce ultrasonic vibrations. In a magnetostriction unit, one metal rod serves as an oscillator and transmitting transducer, while a second metal rod, attached to a receiver and indicator, transforms ultrasonic signals into electric ones. (PW, 9/5/60)

Flat, Rectangular Fluorescent Lamp Saves Space, Cost

Bloomfield, N. J.—Westinghouse has developed a flat, rectangular fluorescent lamp, which it predicts will save building space and make fluorescent maintenance simpler and cheaper.

The new lamp is a large rectangular glass plate which com-



RECTANGULAR FLUORESCENT developed by Westinghouse gives 40-50 watt, saves building space.

bines tubes, reflector, and diffusing element into a single unit. Westinghouse claims the unit will require less cleaning than the present fluorescent fixture, in which tube, reflector, and diffusing element are separate.

Less than 1.5 in. thick, the glass block lamp contains a maze of paths over which an electric discharge travels to produce a large area source of light. A reflector on one side of the lamp directs all the light through the opposite side.

The prototype is a foot square block designed for modular use. Rated at 40 to 50 watts, the lamp will give considerably more light than a 100-watt incandescent bulb. No definite production dates have been set.

Honeycutt Develops New Portable Tire Regroover

Houston, Texas—Honeycutt Tool Mfg. Co., Houston, has developed a truck tire regroover which, the company says, can save up to \$45 per tire (per regrooving) and extend tire life an additional 35,000 miles before recapping.

The portable device can be handled by one person and can regroove tires right on the vehicle. It consists of two parts: One turns the truck tire, while the other regrooves the tread.

Honeycutt claims that savings achieved by regrooving 24 tires will more than pay for the device.

PURCHASING PROFILES



JAMES DONAHUE, DIRECTOR OF PURCHASES, WRIGHT AERONAUTICAL DIVISION OF CURTISS-WRIGHT, WOOD-RIDGE, N. J. says:

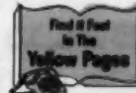
"Yellow Pages is our first source of new suppliers!"

"With so much research and development going on here, we have a constant need for new supplies. That's why so many of our people keep the Yellow Pages right on their desks. We also keep a central file of some 50 different Yellow Pages directories — and it's in constant use!"

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couldn't get locally, and our representative in New England found it fast — in one of Massachusetts' Yellow Pages directories!"

Find the new supplies, the hard-to-locate items, the emergency services you need *fast* — by referring to the Yellow Pages *first*!



America's Buying Guide for over 60 years!

In the World of Sales

R. P. Stuntz was named manager of field sales and **L. D. Christie, Jr.**, appointed product manager, technical sales, **Babcock & Wilcox Co.'s Refractories Division**, New York.

Glen R. Pierce has been made manager of the newly established **Distributor Sales Div., Dearborn Chemical Co.**, Chicago.

Walter A. Spies, Jr., has been promoted to manager of sales and engineering, **Wagner Div., National-Standard, Co.**

Jerry M. Magner has been named sales manager, **Water & Waste Div., Fischer & Porter Co.**, Warminster, Pa.

Robert J. Weesner was moved up to vice president, sales and engineering, at **Imperial Electric Co.**, Akron.

Joseph B. Libcouski, Jr., joined **S. M. S. Instruments & Accessories, Inc.**, Jamaica, N. Y., as director of sales, service and engineering. He was formerly with the **Aeronautical Div., Cur-**

tiss-Wright Corp., Woodridge, N. J.

Robert C. Clark has been elevated to vice president and general sales manager, **Noble Co.**, Oakland, Calif.

George C. Burke has been advanced to district manager in Indiana for **H. M. Harper Co.**

John A. Staluppi becomes eastern regional sales manager of **International Rectifier Corp.**, El Segundo, Calif.

Charles K. Apel has been appointed industrial controls sales manager for **Vickers Inc., Electric Products Div.**, St. Louis.

W. Kent Kise, Jr., was advanced to assistant manager, electronic alloy sales, **Carpenter Steel Co.**, Reading, Pa.

Robert M. Palmer has been promoted to field sales manager of **Hevi-Duty Electric Co.**, Milwaukee.

Bruce Bennet has been named product manager for the newly formed **General Products Sales Div., Atwood Vacuum Machine**, Rockford, Ill.

William T. Rush has been appointed sales manager for the **Standard Control Div., Westinghouse Electric Corp.**, Pittsburgh.

Walter Beswick was named sales manager of the new firm, **A. W. Haydon Co.**, Culver City, Calif.

Dan F. Sweet has been moved up to general sales manager for the industrial plastic products plant of its **Panelyte Div.**, Trenton, N. J. by **St. Regis Paper Co.**

L. S. Sternal has joined **Time-saver Sanders**, Minneapolis, Minn., as sales manager. He was with the **Coated Abrasive Div., Armour Co.**

Vincent Neisius has taken the new post of national computer sales manager, **Packard Bell Computer Corp.**, Los Angeles. He was formerly with **Systematics, Inc.**, New York.

Joseph E. Zwit was made sales manager, **Engineering Div., Hauck Mfg. Co.**, Brooklyn, N. Y.

Jerome E. Levy succeeds **Dr. Lux Sonneborn**, who is retiring, as sales manager, **Textile Chemicals Div., Sonneborn Chemical & Refining Corp.**, New York.

Follow-Up Letters & Comment

Correction Noted

Jenkintown, Pa.

In your July 25 issue you published an account of the new lease plan of Columbia-Hallowell Division, Standard Pressed Steel Co. ("New Recruits for Leasing: Standard Pressed Steel, American Standard," p. 7).

You correctly reported that the lease renewal rate for any period from three to ten years is 20% of the original rate. In referring to the purchase option at the end of the original lease period, however, you used the figure "at 2% of the price of the leased property." This should have read "20% of the original price of the leased equipment."

K. L. Scott

Standard Pressed Steel Co.

Finding a Secretary

Providence, R. I.

In the March 21 issue you ran an excellent article on "Finding an Ideal Secretary Isn't an Easy Job, But It Is Possible" (p. 14).

As a director of the Providence Chapter of the National Office Management Association, I would appreciate receiving a dozen copies of this article for distribution to various members of this group.

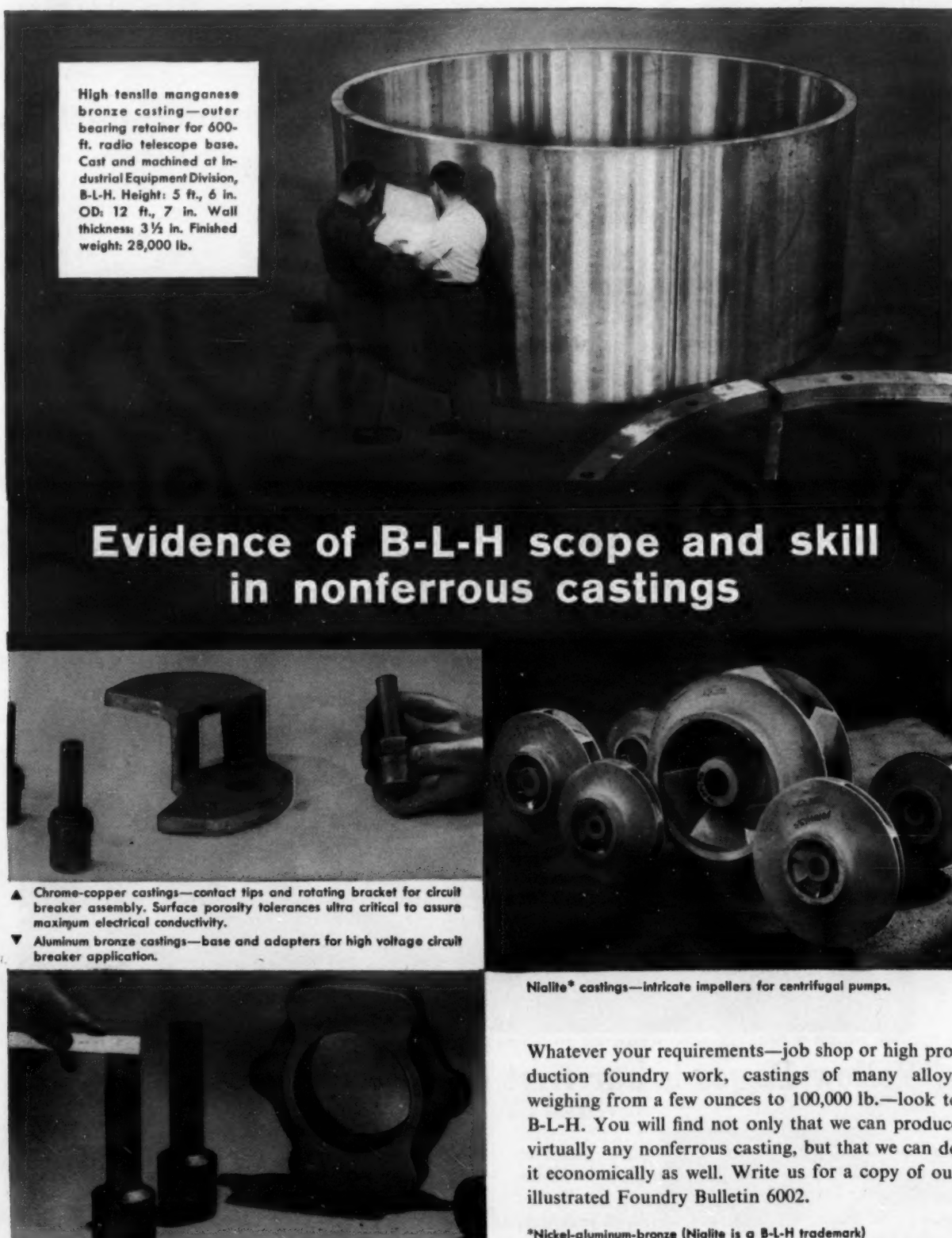
Josef N. Fogel

Purchasing Agent
Cumberland Engineering
Co., Inc.

To Our Readers

This is your column. Write on any subject you think will interest purchasing executives. While your letters should be signed, if you prefer we'll publish them anonymously.

Send your letters to: "Follow-Up," PURCHASING WEEK, 330 West 42nd St., New York 36, N. Y.



High tensile manganese bronze casting—outer bearing retainer for 600-ft. radio telescope base. Cast and machined at Industrial Equipment Division, B-L-H. Height: 5 ft., 6 in. OD: 12 ft., 7 in. Wall thickness: 3 1/2 in. Finished weight: 28,000 lb.

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Late News in Brief

Goodyear Cuts Some Tire Prices

Akron—Goodyear Tire & Rubber Co. reduced the prices of its mud and snow tires last week from 10% to 15%. Two other major tire makers said they would meet the cuts and a third said it was studying the situation.

Strikes Threaten U.S. Steel Railroads

Pittsburgh—Strikes threatened five more railroads operated by U. S. Steel Corp. One line, the Union Railroad Co., already has been halted more than two weeks by a walkout of non-operating rail workers.

New Containership Service Planned

Miami—Another roll-on, roll-off containership service is scheduled to get under way here next month. Sea-Highways, Inc., will start its new international service Oct. 7 with weekly runs linking Port Everglades, Fla., with five Central American Countries.

Perlman Predicts Three-Way Merger

New York—Alfred E. Perlman, president of the New York Central Railroad, predicted in a speech last week that his company's struggle with the Chesapeake & Ohio Railway for separate control of the Baltimore & Ohio Railroad would end up with the three carriers merging into one.

Brokerage Fee Case Dismissed

Washington—A Federal Trade Commission examiner has decided the FTC did not prove its charges that Thomasville Chair Co., Thomasville, N. C., had passed on illegal brokerage fees to some of its customers. He said the charges should be dismissed.

In its complaints, the FTC said that a difference in discounts to "jobber" accounts and to "carload" accounts charged by the company actually resulted in unlawful brokerage fees to the jobber customers. But FTC examiner William L. Pack concluded that substantial cost differences were involved in the two ways of selling furniture, and thus ruled against the commission.

Purchasing's Organization Trend Shifts to Semicentralized Departments

(Continued from page 1)
control aspect. He points out that the profit-center setup, in which each corporate division is charged with its costs, requires control of purchasing operations at that level.

American Can Co., which has swung between decentralized and centralized type operations in recent years, says it still prefers the centralized concept—because of the advantage of master contracts on steel and similar items used in a number of its many plants. But even in firms like Canco, much of the buying has been farmed out to regions. And in heavily decentralized firms, the tendency has been to give central control stronger authority.

International Harvester, however, utilized "specialty buyers" to handle special product and materials at the general office; but at the manufacturing plants so-called "work buyers" deal in large bulk products.

The details vary according to the corporate need of each firm, but the aim never varies—obtain the system that will deliver materials at the least cost and most efficient manner.

As one P. A. described it for P/W:

"This is the only sensible solution to the weaknesses inherent in both systems. Basically, it boils down to decentralized buying with strong central control and makes for a tight-knit yet extremely flexible organization."

The survey turned up a long list of major companies that have

adopted this new approach of late. It was described by some as "a half-and-half system," by others as "semi-centralization," and by still others as "a form of modified decentralization."

Call it what you will, here is how some firms have put it to work:

• **Cannon Electric Co., Los Angeles:** About a year and a half ago, Cannon decided to decentralize its purchasing operations completely. Several weaknesses became apparent, however, and now the company is exploring areas where joint procurement by its divisions can result in the best purchases.

As a result, the central staff now has a purchasing coordinator who takes recommendations from each division in order to determine where centralized buying can be used to effect savings. Within the last three months, it was found that centralized buying of rubber O-rings resulted in a 5% savings. Similarly, Cannon has centralized buying of aluminum and is investigating other areas such as paper, plastics, and light bulbs.

• **Socony Mobil Oil Co., N. Y.:** For many years, Socony's buying operations were centralized. Then in 1955, the company moved to a program of complete decentralization.

"But last year we swung back slightly," said purchasing director, E. W. Beck. "Our various regional purchasing operations now report to the home office on

Washington—Industrial buyers are still playing it cagey, according to the latest (July) Commerce Department survey, which shows both hard goods inventories and new orders declining from previous levels.

Here are the details as revealed by the new report:

• **Inventories**—Total durable goods holdings declined by \$200-million during the month—the first such reduction since the resumption of steel operations in November '59.

Mild cutbacks were reported in non-electric machinery and non-auto transportation equipment. Steel holdings also continued to decline, reflecting a trend in evidence since early spring.

• **Days' supply**—Inventories relative to sales are also far from encouraging (see chart below). Hard goods stocks now represent 65 days' supply—up 5 days or 12½% since the beginning of the year.

True, the rise is slow—and still has quite a way to go before it reaches the dangerous 70-75

day levels that preceded the last recession.

Nevertheless, it is an indication that current inventory cutbacks could continue—unless sales begin to perk up.

• **New orders**—Hard goods bookings continue to disappoint. July orders (\$14.1-billion)

marked the second month of decline.

Almost all durable lines shared in the decline. The only areas reporting pickup were steel and aircraft producers.

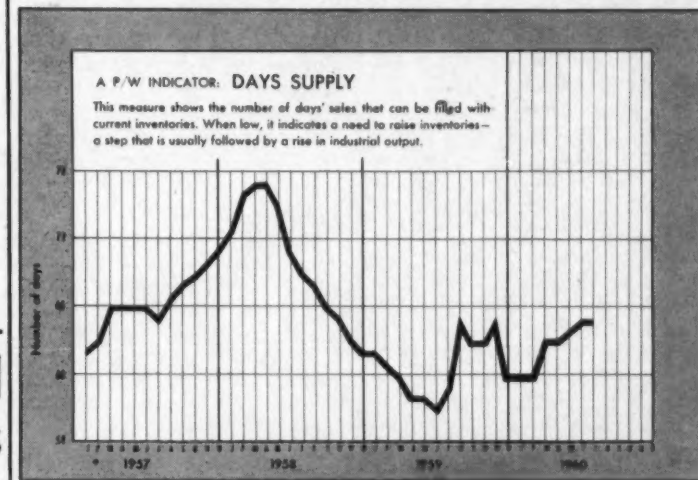
• **New order/sales ratio**—as the chart above shows, hard goods new orders continue to lag behind sales. That's been the case ever since last November.

Result: Backlogs have been dwindling steadily. The latest level, for example, is some 7% below November 1959 highs.

This is an important ratio to watch. For when it remains negative over any long period of time, it's an indication of probable production cutbacks.

• **Soft goods**—Inventories, as usual, show little change in this more stable area. They've been hovering around \$22.9-billion now for 3 months.

Orders, however, took a sharp dip in July—part of it due to faltering textile business. July non-durable booking, for example, slipped to \$15.3-billion—\$500-million below June—though unchanged from 1959.



DAYS' SUPPLY: Hard goods stocks have hit at least temporary plateau after rising since January, but remain well below pre-recession peak.

policy and procedural matters. Also, contracts on major items used by most of our plants, such as chemicals, tires, batteries, and accessories, are negotiated by our central buying office.

• **Universal Match Corp., St. Louis:** This company's tremendous growth in the last three years has kept purchasing director Jack Darrow constantly busy ironing out a vast array of buying problems.

Darrow has now arrived at a "decentralized operation with strong centralized control" for the firm's 13 subsidiaries and two divisions. As he explained:

"There are certain products like duplicating papers and corrugated cartons, to mention two, where we can make national contracts because of our enormous usage of these items. But for others, it is better for the plant P.A. to make the purchases because of our wide variety of products."

Darrow feels the trend in major industries for as much decentralization as feasible with firm central control on buying policies and major purchases.

Some purchasing executives pointed out that the growing use of electronic data processing in industry is helping to solidify strong central control over widespread purchasing organizations. "The use of EDP is also par-

ticularly helpful in centralizing buying in companies that have plants around the country manufacturing the same products, such as cars, cans, or electric motors," explained Adolph Rue-diger, purchasing director for Carrier Corp., Syracuse, N.Y.

"But for companies such as ours that have plants and divisions making unrelated products, it would be difficult to buy all the needed materials centrally—even with EDP. However, it is helpful in negotiating contracts on major common raw materials and MRO items centrally and keeping check on inventories."

The PW survey showed that this gradual trend toward combining the best of the two buying systems is not all-encompassing. Many P.A.'s still hold firm to their opinions regarding one system or the other as being best for their company. Here's a brief rundown of such opinions:

• "Because of the wide variety and complexity of our product market, we find the full decentralized purchasing operation far more effective. **Crane Co., Chicago.**

• "We've been centralized for 30 years. Our thinking is reinforcing our current method—in other words, the more we study decentralization the more it's proved our present organization

is better." **Republic Steel Corp., Cleveland.**

• "It doesn't seem like it should be so, but you can have smaller staffs in purchasing if you decentralize. As our company grows larger, it will become even more decentralized." **Kaiser Industries, Oakland, Calif.**

• "We have a decentralized purchasing setup and have had for a long time. This is certainly the better method because it enables each company unit to work with the local people who can supply our needs. We feel this is absolutely essential wherever possible." **Packaging materials maker, Chattanooga, Tenn.**

But by far, the majority of opinions garnered from the survey offered strong evidence that P.A.'s in multi-plant companies are leaning more toward combining the systems. The purchasing director for a large Midwest conveyor manufacturer summarized these opinions when he said:

"We are decentralized, but items common to all our plants are ordered under a national contract. This means we get the same price as though all orders were placed from one point."

"Since price is the only important advantage of centralized purchasing, it seems we have all the advantages offered by centralized buying, plus all the good points of decentralization."

Rails Hike Rates but Eye Shippers Nervously

(Continued from page 1)
plenty of rollbacks before long," said a spokesman for one line.

The railroads had been saying for some time that they needed higher rates, but they hesitated to go ahead for fear that shippers would turn to other modes of transportation.

The new rate schedules, which average about 1% higher, were expected to be filed with the Interstate Commerce Commission shortly. ICC approval was anticipated.

The changes include:

- Line-haul rates on all commodities (except coal and lignite), on which rates are quoted in cents per 100 lb., are to be increased 1/2¢ per 100 lb. where rates exceed 65¢.

- Where rates are quoted per ton, an increase of 10¢ per net ton and 11¢ per gross ton on rates not exceeding \$13, and an increase of 20¢ per net ton and 22¢ per gross ton on rates higher than \$13.

- On all kinds of wood, wood chips, or wood cores, an increase of 25¢ per cord or per unit. On lumber and logs, however, the general rate of increase applies.

- On per-car rates, the increase would be \$3 per car generally. However, exceptions would provide a \$2 per car increase on fruits and vegetables, \$5 per car on wood, \$3 on automobiles shipped in bi-level cars, and \$4 on autos shipped in tri-level cars.

- Piggyback rates of all kinds to be upped in the same proportion as other freight.

There are two major exceptions to these flat proposals. Iron ore moving from Northern mining ranges to upper lake ports for water movement beyond would be increased a flat 5¢ per gross ton. All rates on coal would be increased 7¢ per net ton or increased 7¢ per net ton or 8¢ per gross ton.

The plan includes numerous adjustments in charges for specific services, and in certain minimum charges. For example, the minimum line-haul charge per car is to be \$60 on traffic originating or terminating in official territory (roughly that area east of the Mississippi River and north of the Ohio and Potomac rivers). Elsewhere, the minimum charge is to be \$40. The minimum charge per less-than carload shipment is to be \$4.

Charges for so-called "split delivery" or for loading or unloading freight or transfer to other

cars or highway vehicles (not including port charges for transfer to vessels) are to be increased \$1 per ton.

To expedite unloading of costly specially equipped cars, where they are provided by the railroads, cars equipped with pneumatic devices for loading or unloading are to carry a charge of \$10 per day where detained beyond the "free time" allowed in the tariff—this \$10 charge to be in addition to existing charges for demurrage.

The traffic executives also said there would "moderate increases" in accessorial charges, such as "transit" diversion and reassignment; port terminal charges; interplant or intraplant switching; and cleaning, sizing, and mixing

of bituminous coal in transit.

Other "moderate" increases are to be made in charges for weighing or reweighing cars, for "trap" and "ferry" service, for crane service, and for special services provided for livestock traffic—such as feeding and watering, cleaning cars, bedding, etc.—and for installing grain doors.

Except at upper lake ports, charges for handling iron ore would be increased 3¢ per ton. Dock storage of ore would hiked 7¢ per ton. Charges for dumping coal and coke for water handling—or from barge to car at river ports—would go up 2¢ per ton.

The increases would automatically go into effect in 30 days after filing unless suspended or rejected by the ICC.

Steel and Aluminum Jockey Anew For Dominant Position in Market

(Continued from page 1)
announced development of a quick-opening aluminum container, utilizing a top which a hungry consumer can remove by pulling a metal tap with a finger loop. Designed to make can openers obsolete; the new top, developed by Alcoa and United Shoe Machinery Corp., was combined with another aluminum can innovation—a "low cost" foil and paperboard container.

Alcoa said its quick-opening can still was only in the test-marketing stage (Minute Maid frozen orange juice at stores in Providence, R. I.). But the company said the new type can ends could be adapted quickly to full-scale production.

U. S. Steel's almost skin-thin product, about half the thickness of tin plate now used in can making, ranges in price from \$6.10 to \$6.45 per base box, compared to about \$9 per base box for one standard grade of the conventional plate.

Ferrolite will be available in weights of 45 lb. through 60 lb. per base box at U. S. Steel mills at Pittsburgh, Morrisville, Pa., Gary, Ind., and Fairfield, Alabama.

U. S. Steel also announced it is now producing thin-gage and strip from some of the toughest steels known. The steels formerly were available in plate form, 1/16 in. and more, but now are targeted for production in thicknesses ranging from 1/16 in. to 3/4

in. and widths of 15 in. to 96 in. Richard F. Sentner, executive vice president, commercial, said possible applications of the thin-gage sheet and strip included:

- Equipment for processing, transporting, storing, and handling liquefied gases.

- A wide variety of equipment for highway, rail, and marine transport, including new designs in trucks, trailers, pallets and cargo containers.

- Highly mobile military items, such as combat vehicles, personnel and weapons carriers, aircraft, missiles, and missile-support equipment.

In the field of electrical conduit, major aluminum producers countered recent price cuts by competing steel conduit producers with a 5% cut on rigid aluminum conduit and elbows.

The aluminum price cut was triggered by Kaiser Aluminum & Chemical Corp. and followed shortly after with announcements of similar cuts by Aluminum Co. of America and Reynolds Metals Co. In the New York area, one-half inch aluminum conduit is now selling at \$13.66 per hundred ft. in lots of 7,000 lb. or more. The base price on galvanized steel conduit is 13.38¢ per pound.

In still another price development, cuts of about 7% to 10% for certain laminated packaging materials which combine aluminum foil and polyethylene were announced last week by Reynolds Metals Co.

This Week's

Purchasing Perspective

SEPT. 5-11

(Continued from page 1)

equipment industry—where many U. S. firms recently have underbid cut-rate foreign competitors—manufacturers have been posting a series of price boosts—although with fingers crossed against customer reaction.

• The chemical industry, one of the hardest hit in this year's splurge of price shaving, is looking anxiously for an answer to its profit-price dilemma. In its latest industry review, McGraw-Hill's *Chemical Week* says increasing demand for products of profit-pinched chemical producers is beginning to absorb some of their tremendous overcapacity. But industry leaders still have no ready answer to the question: **When will an in-balance market obviate the free-wheeling, ruinous, cut-throat competitive practices that have boosted sales. . . but are still knocking the stuffing out of profit margins?**

CHANGING TIMES—Clarence Randall, the retired chairman of Inland Steel, discusses in a recent article (Dunn's Review) the expense account abuses of misguided salesmen. **He points out that such extravagance usually misfires with today's purchasing executives because the P.A. is likely to be more interested in management orchids than the chorus line at Las Vegas.**

As a steel man, Mr. Randall should know his subject. It used to be a common subject of debate among purchasing agents as to which group, steel men or oil men, had the greater whisky-consuming capacity. The usual conclusion was that it was a dead heat. In fact the manager of a large convention hotel once reported that sales of alcoholic beverages during meetings of the American Iron and Steel Institute or the American Petroleum Institute equaled the American Legion, Purchasing Agents, and the Shriners combined.

Today's policies and codes of conduct for both buying and selling have reversed this trend sharply. The newer generation of sales representatives, most of whom carry engineering or business administration degrees, are being taught to sell by knowing their products and the application of customers' requirements.

The attitude of management has changed, too. Expense accounts for purchasing agents once were frowned upon.

Today, the out-of-town salesman who tries to buy a lunch for his prospect often finds himself the guest of the P.A. at a private club where he cannot even tip the waiter.

This is all part of the modern trend to recognize purchasing as part of management and to give him tools and status to negotiate for the best materials and lowest cost for his company.

Walkout Throttles Pennsy System

(Continued from page 1)

- Piggyback operations.
- Unused capacity among trucking firms.
- Rail-to-rail switching to avoid premium rates.

Plans developed by such firms as Union Carbide Corp. and Montgomery Ward & Co. were good examples of the techniques employed to keep goods rolling.

Frank C. Tighe, Union Carbide's senior traffic manager, said his firm would switch traffic to alternate rail lines to avoid premium costs. The Pennsy carries about 10% of all the firm's rail traffic. Tighe said about 90% of this freight would be rerouted to other railroads, and the remainder to truck transport.

Shipments from Carbide's plastics plant in Whiting, Ind., to Newark, N. J., for example, normally handled on the Pennsy, would be moved via intra-plant switching to the tracks of the New York Central, which would bring shipments to Newberry Junction, Pa. There they would be moved via the Reading Co. to Bound Brook, N. J. and switched to the Central New Jersey for delivery at Newark.

Montgomery Ward & Co., said it would lean heavily on piggyback in the strike period.

Even before the strike was on, Ward stopped loading boxcars and switched to full piggyback

operations, using both its own and railroad equipment over other rail lines.

New York Central officials predicted a tight supply of piggy-

Switches Deliveries

Albany, N. Y.—The Pennsylvania Railroad strike forced Purchasing Week to find a new avenue of distribution from its printing plant here.

P/W made arrangements to truck all eastern Pennsylvania copies to Philadelphia and all Southern copies to Washington. Western Pennsylvania copies also went to Washington by truck for distribution to Pittsburgh via the Baltimore & Ohio Railroad.

backing equipment should the strike continue.

The Baltimore and Ohio Railroad, which was expected to shoulder the biggest portion of Pennsy freight, since it serves 10 cities jointly with the Pennsy, has added more equipment and speeded up schedules. The Reading Railroad also increased service.

A spokesman for Republic Carloading and Distributing Co., a New York-based freight forwarder, said he expected few difficulties in handling requirements as the result of the strike.

Price Changes for Purchasing Agents

Item & Company	Amount of Change	New Price	Reason
INCREASES			
Alumina: Calcined, carlot, lb.		.0535	higher costs
Hydrated, carlot, lb.		.037	demand up
Heating oil, (Esso Standard)—middle distillate No. 2 oil, barges, N. Y., gal.	.001	.0915	demand up
Oxalic acid (10,000 lb lots), lb.	.0075	.195	higher costs
REDUCTIONS			
Vinyl acetate (Union Carbide), tkear, lb.		.156	spur consumption
Laminated pkg. mat (aluminum foil and polyethylene), Reynolds Metals	7-10%		lower costs
XR-200 epoxy coreactant (Gen. Mills), lb, truckload & carlot	.55	.95	comm'l availability
Aluminum conduit	5%	...	competition
Phenylephrene 25-kilo lots, kilo.	\$15.00	\$145.00	
Tires (mud and snow)	10%	15%	competition

GE Raises Curtain on 'Road Show' Staged for Busy Electronics Buyers

Syracuse, N. Y.—General Electric Co. has hit the road with a traveling electronics show designed to fill buyer information needs in the booming and complicated world of transistors, diodes, rectifiers, and the like.

The "road show," staged by the firm's Semiconductor Division, breaks with traditional electronics marketing practices in that it is aimed at nontechnical buyers as well as electronics experts and engineers.

James H. Sweeney, manager of marketing for the Semiconductor Division, told PURCHASING WEEK that the program was created because electronics buyers have to know more than quotations.

Statistics of purchases made in the past six months indicate that over 50% of all semiconductors are being purchased in large quantities for extended delivery periods, usually one year, the GE manager said.

"In these cases the purchasing agent is usually personally involved. We expect this trend will

increase greatly in the future.

"Ideally, the purchasing agent should become thoroughly familiar with vendors' manufacturing facilities through plant visits," he said. "This can't be done at an industry-wide exhibit and we can't get all our customers to visit us, so we have decided to go visit them."

The clinic program is handled through GE's sales department. This month, for example, clinics will be held in Mass., Ind., Va., Minn., Calif. and Ill.

FTC Defends Handling of Robinson-Patman Act

(Continued from page 1)

● No real effort has ever been made to enforce Robinson-Patman since its passage in 1936. The first real strides are being made now—as a result of the findings of a task force set up within the FTC last fall to find ways to bolster enforcement (PW, Nov. 16, '59, p. 1).

● The FTC has issued a series of guides explaining the act.

● The commission currently is conducting a campaign to investigate possible wrong-doing in specific industries by mailing out

questionnaires that must be answered.

Meanwhile, the commission underscored its stepped-up campaign by charging that Sears, Roebuck and Co. induced one of its suppliers, Universal-Rundle Corp., which Sears controls, to give it unfair price discounts.

The commission claims that Universal-Rundle's prices to Sears, during the 12 months ended January 31, 1957, on some bathroom and other plumbing fixtures ranged from 5% to 45% below what other customers paid.

Sears owns 63% of Universal-Rundle's capital shares and buys fixtures for resale under its trade-name "Homart."

Sears stated that it is studying the complaint, and added: "It is our policy to refrain from buying at prices that cannot be justified. We are confident that our buying practices are in compliance with the law."

In a separate complaint, the commission charges Universal-Rundle with allotting illegal price concessions ranging from 2% to 20% to other customers.

Plastic Foam Tackles Another Venerable Rival: This Time Opaque Paper

(Continued from page 1)

insulation up to the boiling point of water. They are chemically inert and have both been approved by the Food and Drug Administration for food wraps. Tear strength is poor, but makers expect to produce a foam-paper laminate to overcome this limitation.

Most common printing processes can be used on the foamed films, and they lend themselves to standard slitting, die cutting, and sheeting equipment. They can be heat sealed.

Dyna-Foam is available in sheets, film, tubing, board, solid rod, and special shapes. In film and sheet form it can be produced in widths up to 60 in. and in lengths comparable to the largest rolls of paper. A .010 in. thick sheet will sell for about 1/2¢ a sq. ft.

Santofom is available in thicknesses from .010-in. to .030-in. in rolls, 36-in. wide and up to 7,000-ft. long. Prices run from .4¢ to .7¢ a sq. ft.

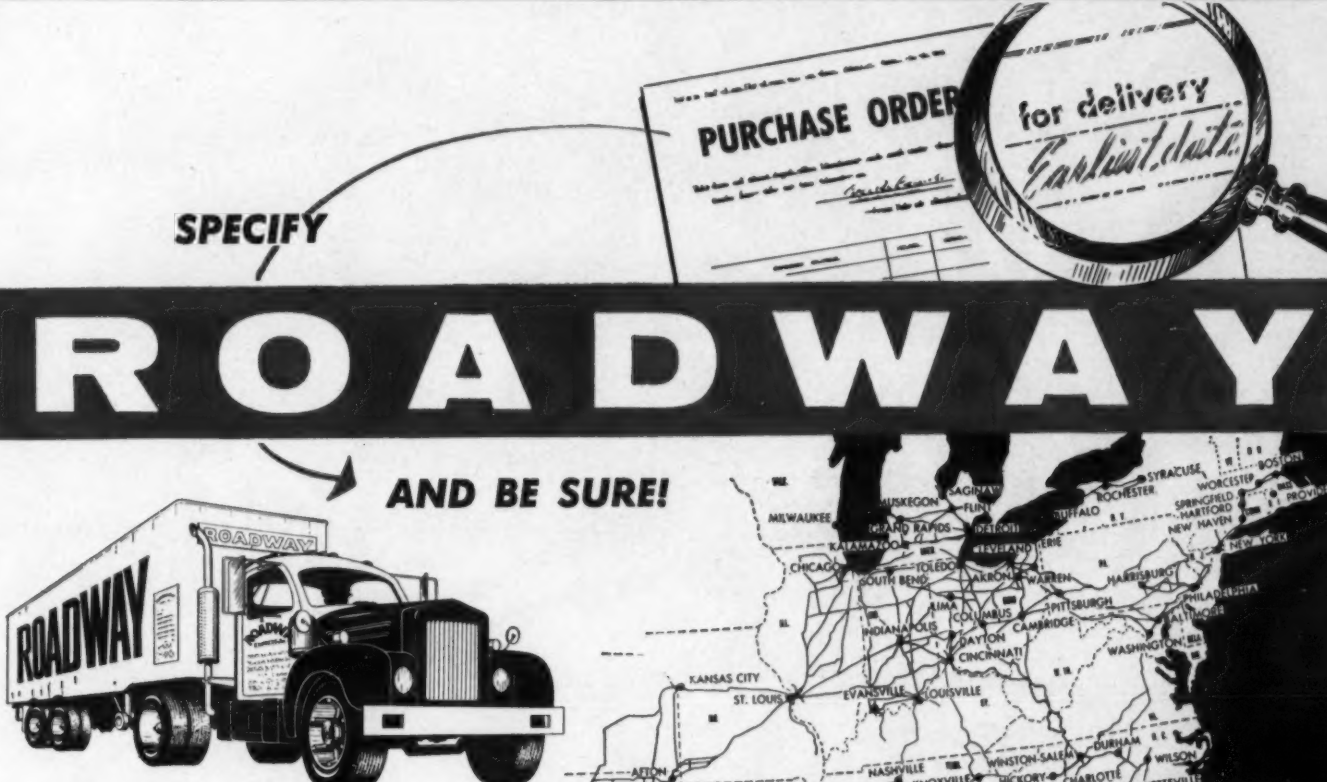
While Monsanto is following a traditional marketing pattern, Dyna-Foam Corp. is engaged in extensive market development work to find new uses for its foamed film.

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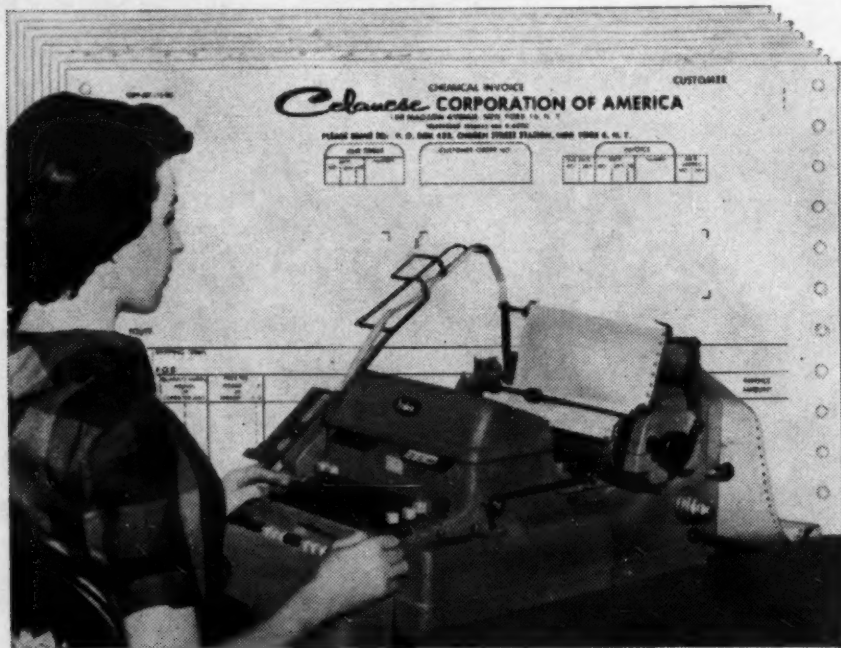
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WALTER L. McINTOSH, Controller, Celanese Chemical Company, a division of Celanese Corporation of America

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